

**ROB BONTA**  
**Attorney General**

**State of California**  
**DEPARTMENT OF JUSTICE**



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*Sent via email*

RE: Sale of Windsor by HumanGood SoCal

Dear Ms. Williams:

Pursuant to Corporations Code section 5914 et seq., the Attorney General hereby conditionally consents to the proposed sale of the continuing care retirement community known as "Windsor" by HumanGood SoCal, a California nonprofit public benefit corporation, to Ararat Home of Los Angeles, Inc. (Ararat), a California nonprofit public benefit corporation, pursuant to the terms of the a Purchase and Sale Agreement dated May 17, 2022.

Corporations Code section 5923 and California Code of Regulations, title 11, section 999.5, subdivision (f) set forth factors that the Attorney General shall consider in determining whether to consent to a proposed transaction between nonprofit corporations or entities. The Attorney General has considered such factors and consents to the proposed transaction subject to the attached conditions that are incorporated by reference herein.

Sincerely,

*Lily Weaver*

LILY WEAVER  
Deputy Attorney General

For ROB BONTA  
Attorney General

LGW: Enclosure  
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## SUMMARY OF CONDITIONS

- Condition I: Identifies the parties and entities that are legally bound by the conditions.
- Condition II: Identifies the transaction documents.
- Condition III: Requires sixty days' notice of either transfer or of transfer of governance or control of Windsor for the next five years.
- Condition IV: Requires the skilled nursing facility to operate and be maintained for the next five years at the same types and levels of skilled nursing services at Windsor for at least five years.
- Condition V: Requires the continuation of Medicare and Medicaid participation at Windsor for at least five years.
- Condition VI: Requires that the Buyer use and maintain a charity care policy at Windsor that is no less favorable than its current policy for at least five years.
- Condition VII: Requires that the Buyer continue to employ staff at Windsor who are in good standing as of the closing date.
- Condition VIII: Requires the Buyer to consult a Community Advisory Board at Windsor for at least the next five years.
- Condition IX: Prohibits discrimination on the basis of protected personal characteristics at Windsor.
- Condition X: Requires the Buyer and operator to submit annual compliance reports to the Attorney General's Office for five years after closing the transaction for Windsor.
- Condition XI: Requires all parties to the transaction to submit any requested information necessary to monitor compliance to the Attorney General's Office.
- Condition XII: The Attorney General reserves the right to enforce each and every condition and to recover fees and costs associated with enforcement.

**Conditions to Proposed Sale of Windsor and Approval of the Purchase and Sale Agreement by and between HumanGood SoCal, a California non-profit public benefit corporation, to Ararat Home of Los Angeles, Inc., a California nonprofit public benefit corporation.**

**I.**

These Conditions shall be legally binding on Ararat Home of Los Angeles, Inc. (Ararat), a California nonprofit public benefit corporation; any subsidiary, parent, general partner, limited partner, member, affiliate, successor, successor in interest, assignee, or person or entity serving in a similar capacity to the above-listed entity; any entity succeeding thereto as a result of consolidation, affiliation, merger, or acquisition of all or substantially all of the real property or operating assets of Windsor<sup>1</sup> or the real property on which Windsor is located; any and all current and future owners, lessees, licensees, assignees, managers, operators or providers of any of the facilities or units at Windsor; and any and all current and future lessees and owners of the real property on which Windsor is physically located. These Conditions shall also be legally binding on HumanGood SoCal, a California non-profit public benefit corporation, to the extent necessary to administer Section 10.10 of the Purchase and Sale Agreement by and between Human Good SoCal and Ararat dated May 17, 2022 (the Purchase and Sale Agreement) and to the extent necessary to effectuate the parties' interim agreements to allow for the continued operation of the Windsor SNF<sup>2</sup> until the SNF license for Ararat is issued, including the Interim Lease Agreement, the Interim Management Agreement, and the Operations Transfer Agreement.

**II.**

The transaction approved by the Attorney General consists of the Purchase and Sale Agreement, attached hereto as Exhibit 1, the First Amendment to Purchase and Sale Agreement by and between HumanGood SoCal and Ararat dated July 29, 2022, attached hereto as Exhibit 2, and any and all amendments, agreements, or documents referenced in or attached as an exhibit or schedule to these agreements. All entities listed in Condition I shall fulfill the terms of these agreements and any other agreements or documents referenced therein or attached thereto, including Section 10.10 of the Purchase and Sale Agreement, and shall notify the Attorney General in writing of any proposed modification or rescission of any terms of these agreements. Such notifications shall be provided at least sixty days prior to their effective date in order to

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<sup>1</sup> Throughout this document "Windsor" shall mean the Continuing Care Retirement Community located at 1230 East Windsor Road, Glendale, CA 91205 that includes a Residential Care Facility for the Elderly (RCFE) with 74 residential independent living units and 39 assisted living apartments licensed by the California Department of Social Services effective June 28, 1993; a 28 bed Skilled Nursing Facility (SNF) licensed by the California Department of Public Health effective December 1, 2022, and any other clinics, outpatient facilities, programs, laboratories, centers, units, or services, unless otherwise indicated.

<sup>2</sup> Throughout this document, the term "Windsor SNF" shall mean the skilled nursing facility located at 1230 East Windsor Road, Glendale, CA 91205 and any other clinics, laboratories, units, services, or beds included on the license issued to HumanGood SoCal by the California Department of Public Health.

allow the Attorney General to consider whether they affect the factors set forth in Corporations Code section 5923.

### **III.**

For five (5) years from the closing date of the Purchase and Sale Agreement, Ararat and all entities listed in Condition I shall be required to provide written notice to the Attorney General sixty (60) days prior to entering into any agreement or transaction to do any of the following:

- (a) Sell, transfer, lease, exchange, option, convey, manage, or otherwise dispose of Windsor or any portion thereof; or
- (b) Transfer control, responsibility, management, or governance of Windsor or any portion thereof. The substitution, merger or addition of a new member of the governing body, general partner, or limited partner of Ararat that transfers the control of, responsibility for or governance of Windsor or any portion thereof shall be deemed a transfer for purposes of this Condition. The substitution or addition of one or more members of the governing body, general partner, or limited partners of Ararat or any arrangement, written or oral, that would transfer voting control of the members of the governing body, general partner, or limited partners of Ararat shall also be deemed a transfer for purposes of this Condition.

### **IV.**

For five (5) years from the closing date of the Purchase and Sale Agreement, the Windsor SNF shall be operated and maintained as a skilled nursing facility with 28 skilled nursing beds and shall maintain the same licensure, types, and or levels of services being provided as its current<sup>3</sup> licensure and types and levels of services.

Ararat, or the operator or licensee of Windsor SNF shall not place all or any portion of the Windsor SNF's licensed-bed capacity or services in voluntary suspension or surrender its license for any beds or services.

### **V.**

For five (5) years from the closing date of the Purchase and Sale Agreement, Ararat, or the operator or licensee of Windsor shall:

- a) Be certified to participate in the Medi-Cal program at Windsor and have a Medi-Cal Provider Number to provide the same types and levels of skilled nursing services at Windsor to Medi-Cal beneficiaries at Windsor as required in these Conditions; and
- b) Be certified to participate in the Medicare program and have a Medicare Provider Number (or provider number for any successor program to Medicare) to provide the same types and levels of skilled nursing services at Windsor to Medicare beneficiaries (both Traditional and Managed Care) at Windsor as required in these Conditions.

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<sup>3</sup> The term "current" or "currently" throughout this document means as of September 19, 2022.

**VI.**

For five (5) years from the closing date of the Purchase and Sale Agreement, Ararat shall use and maintain a charity care policy at Windsor that is no less favorable than Ararat's Charity Care Policy (attached as Exhibit 3).

**VII.**

For five (5) years from the closing date of the Purchase and Sale Agreement, the entities listed in Condition I shall maintain and continue to employ staff at each facility who are in good standing as of the applicable closing date. This condition is not intended to preclude staff leadership changes as warranted for operational flexibility.

**VIII.**

For five (5) years from the closing date of the Purchase and Sale Agreement, Ararat and any other owner, operator, or lessee of Windsor or any portion thereof shall consult with a Community Advisory Board on a quarterly basis. The Community Advisory Boards shall consist of 7-12 residents at Windsor chosen by the residents of Windsor. The Community Advisory Board will provide advice and feedback on a quarterly basis on the quality of care and quality of life being provided to the residents and patients.

**IX.**

The entities listed in Condition I shall prohibit unlawful discrimination in their services and programs at Windsor on the basis of any protected personal characteristic identified in state and federal civil rights laws, including section 51 of the California Civil Code and title 42, section 18116 of the United States Code. Categories of protected personal characteristics include:

- a) Gender, including sex, gender, gender identity, and gender expression;
- b) Intimate relationships, including sexual orientation and marital status;
- c) Ethnicity, including race, color, ancestry, national origin, citizenship, primary language, and immigration status;
- d) Religion;
- e) Age; and
- f) Disability, including disability, protected medical condition, and protected genetic information.

**X.**

For five (5) years from the closing date of the Purchase and Sale Agreement, Ararat and any operators or licensees of any portion of Windsor shall annually submit to the Attorney General, no later than four (4) months after each anniversary of the closing date of the Purchase and Sale Agreement, a report describing in detail its compliance with each Condition set forth herein. The

Chief Executive Officers or their equivalents at Ararat and any operators or licensees of any portion of Windsor shall each certify that the report is true, accurate, and complete.

**XI.**

At the request of the Attorney General, the entities listed in Condition I shall provide such information as is reasonably necessary for the Attorney General to monitor compliance with the terms and conditions of the transaction as set forth herein. The Attorney General shall, at the request of a party and, to the extent provided by law, keep confidential any information so produced to the extent that such information is a trade secret, or is privileged under state or federal law, or if the private interest in maintaining confidentiality clearly outweighs the public interest in disclosure.

**XII.**

At the close of the transaction, the entities listed in Condition I are deemed to have explicitly and implicitly consented to the applicability and compliance with each and every Condition and to have waived any right to seek judicial relief with respect to each and every Condition.

The Attorney General reserves the right to enforce each and every Condition set forth herein to the fullest extent provided by law. In addition to any legal remedies the Attorney General may have, the Attorney General shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of any of these Conditions. Pursuant to Government Code section 12598, the Attorney General's Office shall also be entitled to recover its attorneys' fees and costs incurred in remedying each and every violation.

# **EXHIBIT 1**

## PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made as of May 17, 2022 (the "**Execution Date**"), by and between HumanGood SoCal, a California non-profit public benefit corporation d/b/a "Windsor" and "Windsor Manor" ("**Seller**"), and Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation, or assigns ("**Purchaser**").

### RECITALS

A. Seller is the owner and operator of certain real property described on **Schedule 1** hereto (the "**Real Property**") and the improvements thereon including the furniture, fixtures and equipment therein that comprise that certain continuing care retirement community commonly known as "Windsor" and "Windsor Manor" located at 1230 E. Windsor Road, Glendale, CA (the "**Facility**").

B. Purchaser is the owner of and has experience operating a senior care community.

C. Seller is interested in selling the Real Property, the Facility and the business operations conducted therein (the "**Business**") to Purchaser and Purchaser is interested in purchasing the Real Property, the Facility and the Business from Seller (the "**Transaction**").

D. The Parties are interested in documenting the terms and conditions on which the Transaction would occur.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and provisions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto (the "**Parties**" and each a "**Party**") hereby covenant and agree as follows:

#### 1. Purchase and Sale.

1.1 Seller's Assets. On the terms and conditions set forth herein, on the Closing Date (as defined below) Seller shall sell to Purchaser and Purchaser shall purchase from Seller the following:

1.1.1 The Real Property, and the Facility, together with all tenements, hereditaments, rights, privileges, interests, easements (both benefitting and burdening such Real Property) and appurtenances now or hereafter belonging or in any way pertaining thereto;

1.1.2 All fixtures attached or appurtenant to the Real Property and the Facility;

1.1.3 All furnishings and equipment, including, but not limited to, tools, machinery, appliances, bed linens, inventory, food, housekeeping supplies, and all other tangible personal property located on or about the Real Property and the Facility which is owned by Seller including the computers and related systems (collectively, the "**Personal Property**"); provided



that Seller will wipe all of the hard drives and remove all confidential information and materials from the operating systems; and provided further, Seller will save certain resident information needed in connection with Purchaser's operation of the Business after the Closing, including resident medical and pharmacy records, home health and other doctors' orders, billing records and resident payment history on a drive or on the cloud for the Purchaser to download at Closing;

1.1.4 To the extent assignable, all of the permits, licenses, approvals, entitlements, certifications and other governmental and quasi-governmental authorizations including, without limitation, bed rights, certificates of occupancy and other similar permits relating to all or any part of the Real Property and the Facility, and all amendments, modifications, supplements, general conditions and addenda thereto, required in connection with the ownership and the operation of the Facility ("**Permits**");

1.1.5 All rights existing under all contracts related to the ownership, planning, development, construction, use, operation and/or maintenance of the Facility to which the Seller is a party, excluding those identified as Excluded Assets, but including without limitation the Resident Agreements and the Assumed Operating Contracts (each as defined below) ("**Assigned Contracts**");

1.1.6 To the extent in the possession of Seller or under the control of Seller, digital copies of all reports, drawings, plans, blueprints, studies, specifications, certificates of occupancy, building permits and grading permits relating to all or any part of the Real Property or the Facility and all amendments, modifications, supplements, general conditions and addenda thereto;

1.1.7 All inventory, wherever located, including all raw materials, spare parts and all other materials and supplies to be used in the Business or in connection with maintenance of the Facility (the "**Inventory**");

1.1.8 All warranties, representations and guaranties with respect to the ownership and operation of the Real Property and the Facility, whether express or implied, which Seller now holds or under which Seller is the beneficiary (the "**Warranties**");

1.1.9 All intangible personal property of any kind or character of the Seller, including without limitation, all warranties, guarantees and all of Seller's legal and equitable claims, causes of action, and rights, if any, arising post-Closing, against the architects, engineers, designers, contractors, subcontractors, suppliers and materialmen and any other party who has supplied labor, services, materials or equipment, directly or indirectly, in connection with the design, planning, construction or ownership of all or any part of the Real Property or the Facility (the "**Claims**");

1.1.10 All other intangible personal property of every kind and nature whatsoever owned by the Seller as of the date of this Agreement or hereafter acquired, which can be legally transferred and which relate directly to the ownership and operation of the Real Property and the Facility;

1.1.11 Other than corporate and trade names used by Seller in connection with the Business as well as related social media accounts, domain name and website and any content therein, all of the Seller's Intellectual Property, including, but not limited to, licenses and sublicenses granted and obtained with respect thereto, related to the Business, to the extent transferable, Seller's telephone and fax numbers, all passwords and similar access requirements with respect thereto, and all goodwill associated therewith, including rights thereunder, remedies against infringements thereof, and rights to protection of interests therein;

1.1.12 The vehicles described in **Schedule 1.1.12** (the "**Vehicles**");

1.1.13 The goodwill associated with operations at the Facility, as well as all related tangible and intangible personal property which the Seller uses in the conduct of the Business;

1.1.14 All prepayments, vendor credits, loans to employees, prepaid expenses and similar assets.

1.1.15 Excluding the Excluded Assets, any other asset, property, or right of any Seller, tangible or intangible, used in the conduct of the Business.

1.1.16 All books, files and records in whatever form or medium related to the operation of the Facility and the Business, including, but not limited to, original records for current residents and employees of the Business, quotation and purchase records and all books, records, ledgers, files, documents, correspondence, lists, reports, and other printed or written materials with respect to the Real Property, Facility and Business but specifically excluding those documents whose disclosure is restricted by applicable law.

Hereinafter the assets described in this **Section 1.1** shall sometimes be collectively referred to as "Seller's Assets." The parties hereby acknowledge and agree that HumanGood SoCal owns and operates seniors housing communities other than the Facility ("**Other Assets**"), and that Seller's Assets being sold hereunder do not include the Other Assets.

1.2 Excluded Assets. Purchaser acknowledges and agrees that the Seller's Assets shall not include the following, all of which shall be and remain the property of Seller (the "**Excluded Assets**"):

1.2.1 the Other Assets;

1.2.2 Seller's cash, including petty cash, or accounts receivable of Seller arising from the operation of the Facility prior to the Closing Date;

1.2.3 Except as provided in Section 1.1.3 above, Seller's proprietary or organizational documents, financial (including historical financials), accounting and/or tax records and other records that Seller is required by law to retain in its possession;

1.2.4 Seller's rights arising under this Agreement or under any other agreement between Purchaser and Seller;

1.2.5 any insurance policies in the name of either of the entities comprising Seller which are in effect at Closing with respect to any or all of the Seller's Assets;

1.2.6 Seller's deposits, including utility deposits and prepaid expenses accruing through the Closing Date, unless and to the extent that Seller is reimbursed therefor on the Closing Date;

1.2.7 Except as may be otherwise provided herein, any claim, cause of action, or right of recovery or settlement held by Seller against third parties including vendors, relating to the ownership and/or operation of the Facility on or before the Closing Date;

1.2.8 Except as may be otherwise provided herein, any and all proprietary and confidential materials, rights and information located at and used in connection with the ownership and/or operation of the Facility, including but not limited to, policy and procedure manuals;

1.2.9 any personal property identified on **Schedule 1.2.8** hereto (the "**Excluded Personal Property**");

1.2.10 the name "HumanGood" or "HumanGood SoCal" and any variations thereof, as well as any service marks, any associated logos or logo-types, any and all attendant state and/or federal service mark registrations, or other similar descriptive items, and that Seller and its affiliates will continue to use the name HumanGood and HumanGood SoCal post-Closing. At Closing, Seller will grant to Purchaser a non-exclusive, nontransferable, limited license to use the name "Windsor" and "Windsor Manor" and all associated logos in connection with Purchaser's ownership and management of the Facility post-Closing, which license shall remain in place for a period of ninety (90) days post-Closing, or in the case of the skilled nursing facility ("**SNF**") that is part of the Facility (the "**Windsor Manor SNF**"), until the date that the California Department of Public Health ("**CDPH**") issues a new skilled nursing facility to Purchaser. The foregoing license provision shall survive the Closing; and

1.2.11 all contracts and agreements to which Seller may be a party in connection with the ownership and operation of the Facility which are not Assigned Contracts and any national contracts.

1.3 Assumption of Liabilities. Except for the deposits and obligations related to the Assigned Contracts arising on or after Closing, Purchaser does not hereby or in connection herewith assume any liability of Seller or any other party whatsoever in relation to the Seller's Real Property, Facility or the Business (the "**Assumed Liabilities**").

1.4 Notwithstanding the provisions of **Section 1.3** or any other provision in this Agreement to the contrary, Purchaser shall not assume and shall not be responsible to pay, perform or discharge any liabilities of Seller of any kind or nature whatsoever other than the Assumed Liabilities (the "**Excluded Liabilities**"). Seller shall pay and satisfy in due course all Excluded Liabilities, which shall include all monies owed by Seller under the Assigned Contracts through the Closing.

## 2. Purchase Price.

2.1 Purchase Price. The aggregate consideration for the Seller's Assets (the "**Purchase Price**") shall be Fourteen Million Five Hundred Thousand and No/100 Dollars (\$14,500,000.00) plus the assumption of any Assumed Liabilities, subject to any proration adjustment contemplated in **Section 6.2** hereof. At the Closing, the Purchaser will deliver to Seller, by wire transfer or immediately available funds, an amount equal to the Purchase Price, less the Deposit as set forth in 2.1.1. as follows:

2.1.1 Deposit. Within two (2) business days after the Execution Date, Purchaser shall deposit Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) (the "**Initial Deposit**") with Commonwealth Land Title, 4100 Newport Place Drive, Suite 120, Newport Beach, CA 92660 Attention: Kelly Ralph (the "**Escrow Agent**"). Within two (2) business days after the expiration of the Due Diligence Period (as defined below), Purchaser shall deposit Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) (the "**Additional Deposit**") with Escrow Agent. The Initial Deposit and Additional Deposit shall be defined herein as the "Deposit". In the event the Closing occurs, the Deposit shall be applied against the Purchase Price. In the event the Closing fails to occur, the Deposit shall be remitted to the Seller or to Purchaser as set forth more fully in **Section 11**; provided, however, if Purchaser does not provide an Approval Notice (as defined below) prior to expiration of the Due Diligence Period for any reason, this Agreement and the escrow shall be cancelled, and the Initial Deposit immediately returned to Purchaser.

2.1.2 Balance of Purchase Price. The balance of the Purchase Price, less the Deposit, plus or minus any costs and prorations for which Seller and/or Purchaser are responsible under **Section 6.2** hereof shall be paid by wire transfer of immediately available funds at Closing.

2.2 Allocation of Purchase Price. The Purchase Price shall be allocated among the Seller's Assets in the manner set forth in **Schedule 2.2**.

2.3 Independent Consideration. As consideration for Seller's agreement to enter into this Agreement, Purchaser shall deliver directly to Seller, within two (2) business days following the Execution Date, the sum of One Hundred Dollars (\$100.00) (the "**Independent Consideration**"), which Independent Consideration shall be retained by Seller as Seller's sole property immediately upon receipt thereof and which shall be nonrefundable to purchaser in all events; provided, however, that the Independent Consideration shall be applied to the Purchase Price at Closing.

## 3. Closing

3.1 Time and Place of Closing. Subject to the satisfaction or waiver of the closing conditions set forth in **Section 5** below, the closing of the Transaction contemplated hereby (the "**Closing**") shall occur on the date that the California Department of Social Services ("**DSS**") approves Purchaser's new Residential Care Facility for the Elderly license ("**RCFE License**") to operate the Facility post-Closing and issues Purchaser a Certificate of Authority ("**COA**") to enter into continuing care contracts with residents of the Facility post-Closing, such approval and issuance occurring on the same date, with documents to be released for recording and the funds

released by Purchaser to Seller on or before 3:00 PM (Pacific Time) and shall be effective at 12:01 am on such date (the "**Closing Date**"); provided that in the event the Closing has not occurred on or before December 31, 2023, Seller shall have the right to terminate this Agreement upon written notice to Purchaser in which case the Deposit shall be returned to Purchaser unless Purchaser is then in default and neither party shall have any further rights or obligations hereunder except as expressly provided for herein.

3.2 Closing Process. The Closing shall occur through escrow and accordingly, at or prior to the Closing Date, the Parties shall deposit in escrow with the Escrow Agent all documents and monies necessary to close the transaction as herein provided. Closing shall occur in accordance with the procedures and instructions given by the Parties to the Escrow Agent prior to Closing.

#### 4. Due Diligence; Title and Survey.

##### 4.1 Due Diligence Investigation.

4.1.1 Within three (3) Business Days after the Opening of Escrow, Seller shall deliver to Purchaser or provide Purchaser access to all materials in Seller's possession or control relating to the Real Property or Facility including, but not limited to: (i) copies of the most recent property tax bills and assessments for the Property; (ii) copies of all documents evidencing interests not shown on the Title Report, if any, (iii) a copy of any and all leases, service contracts, easements, licenses, development approvals and/or other agreements related to the Real Property or Facility including, without limitation, contracts for design work thereon; (iv) any and all existing surveys of the Real Property; (v) any and all soils reports, reports pertaining to hazardous materials or other environmental conditions or other reports relating to the physical condition of the Real Property; (vi) any and all engineering documents relating to the Facility including, without limitation, plans and specifications prepared for Seller in connection with the development of the Real Property and Facility (the "**Plans and Specifications**"); (vii) any and all other correspondence, reports, studies, permits, approvals or documents relating to the Real Property or Facility, except for Seller's internal materials, documents, correspondence, and/or analysis; (viii) audited financial statements for the Business for the period ending December 31, 2019, 2020 and 2021 (the "**Financial Statements**"), as well as the three month period ending March 31, 2022; (ix) the general ledger and trial balance supporting the Financial Statements; (x) contracts and agreements and other documents material to the Business; (xi) a redacted current and complete list of all employees of Seller who work at the Facility, together with their dates of hire, positions and their annual salaries and other compensation; and (xii) and other documents to be provided by Seller in accordance with this **Section 4.1.1** (collectively, the "**Due Diligence Materials**"). In addition, Seller shall promptly deliver to Purchaser or provide Purchaser access to such other information relating to the Real Property, Facility and Business that is specifically and reasonably requested by Purchaser of Seller in writing to the extent such information is in the possession or control of Seller. Except as otherwise expressly set forth in this Agreement, Seller makes no representations or warranties whatsoever regarding the Due Diligence Materials, including, without limitation, as to their completeness or accuracy. Prior to the expiration of the Due Diligence Period, Seller will provide to Purchaser a final list of the Due Diligence Materials provided to Purchaser.

4.1.2 During the period (the "**Due Diligence Period**") commencing on the later of the Execution Date and the delivery of all the Due Diligence Items in Seller's possession or control, and ending forty-five (45) days thereafter, Purchaser will have the right, at its sole cost and expense, to conduct such investigations with respect to Seller's Assets as it deems to be necessary in the exercise of its sole and absolute discretion in connection with its purchase thereof, including without limitation, environmental site assessments, property condition reports, appraisals, engineering tests and studies, physical examinations of the Property, and feasibility studies, as well as inspections of the financial condition and operations of the Facility.

4.1.2.1 At all reasonable times from the date of this Agreement to the Closing, or earlier termination of this Agreement, upon forty-eight (48) hours prior written notice to Seller, Purchaser and their respective employees, agents, consultants, managers and contractors shall be entitled, at Purchaser's sole cost and expense, to: (a) enter onto the Real Property and Facility to perform any inspections, investigations, studies, and tests of the Real Property and Facility (including, without limitation, physical, engineering, soils, geotechnical, and environmental tests) that Purchaser deems reasonable; provided however that Purchaser shall not do any invasive testing on the land without the prior consent of Seller, which consent shall not be unreasonably withheld; (b) review all Due Diligence Materials; and (c) investigate such other matters pertaining to the Real Property, Facility and Business as Purchaser may desire. Any entry by Purchaser onto the Real Property shall be subject to, and conducted in accordance with, all applicable laws. Upon completion of any such testing, Purchaser shall immediately restore the Real Property and Facility to substantially the same condition as it existed prior to Purchaser's entry under this **Section 4.1.2.1**. During the term of Escrow, Purchaser shall have the right to meet with representatives of the City and other governmental agencies having jurisdiction over the Real Property and Facility. Seller shall have the right to have a representative attend each and every meeting with representatives of the City and other governmental agencies having such jurisdiction. Seller shall cooperate with Purchaser in its investigation of the Real Property, Facility and Business (the "**Due Diligence Review**").

4.1.2.2 Purchaser shall indemnify, defend and hold Seller and Seller's Assets harmless of and from any and all losses, liabilities, costs, expenses (including without limitation, reasonable attorneys' fees and costs of court at trial and on appeal), damages, liens, claims (including, without limitation mechanics' or materialmans' liens or claims of liens), actions and causes of action arising from or relating to Purchaser (or Purchaser's agents, employees, or representatives) entering on the Real Property and/or the Facility to test, study, investigate or inspect the same or any part thereof (except for the discovery of any pre-existing conditions). The foregoing indemnity shall expressly survive the Closing or the earlier termination of this Agreement.

4.1.2.3 Purchaser shall have the right at any time on or before the end of the Due Diligence Period (the "**Due Diligence Termination Date**"), to terminate this Agreement by delivering a written notice of such termination to Seller and Escrow Agent if Purchaser determines, in its sole and absolute discretion, that the Seller's Assets are not acceptable to Purchaser for any reason. Purchaser shall indicate its satisfaction and/or waiver of the Due Diligence condition described in this **Section 4.1** by delivering written notice of such satisfaction and/or waiver ("**Approval Notice**") to Seller and Escrow Agent on or prior to the Due Diligence Termination

Date. In the event Purchaser fails to timely deliver an Approval Notice, then this Agreement and the Escrow shall be automatically deemed terminated. In the event this Agreement is terminated in accordance with this Section, then the Initial Deposit shall be immediately returned to Purchaser and the parties shall thereafter be relieved from further liability hereunder, except with respect to any obligations under this Agreement that are expressly stated to survive any termination of this Agreement.

4.2 Title Matters. After the Execution Date, Purchaser will also conduct a review of the condition of title to the Real Property pursuant to the procedures outlined below:

4.2.1 Property Documents. After the Execution Date, to the extent not previously obtained, Seller shall obtain a title report or title commitment (the "**Title Commitment**") for a standard owner's title insurance policy with respect to the Property issued by Commonwealth Land Title (the "**Title Company**"), along with copies of all of the exception documents referenced therein and a map showing all easements plotted. Purchaser shall have the right, at its own cost and expense, to obtain a zoning compliance letter issued by the local zoning authority or a zoning report issued by a third party provider qualified in the preparation of such reports, an ALTA survey with respect to the Real Property (the "**Survey**") prepared by a surveyor selected by Purchaser, a Phase One Environmental Site Assessment (the "**Phase One**") and Property Condition Report.

4.2.2 Title Objections.

(a) Not later than fifteen (15) days after the receipt of the Title Commitment, Purchaser shall advise Seller in writing of its objections, if any, to the matters reflected in the Title Commitment (a "**Title Document Objection Letter**").

(b) Within fifteen (15) days after Seller's receipt of the Title Document Objection Letter, Seller shall specify by written notice delivered to Purchaser which of the objections described therein it will correct at or prior to the Closing Date and which of such objections it refuses to correct at or prior to the Closing Date (the "**Seller Title Document Response Notice**"). If Seller fails to deliver a Seller Title Document Response Notice within fifteen (15) days after Seller's receipt of the Title Document Objection Letter, Seller shall be deemed to have refused to correct any of the matters to which Purchaser objected in the Title Document Objection Letter. If Seller refuses to or is deemed to have refused to correct some or all of the matters objected to in the Title Document Objection Letter, Purchaser shall have five (5) days after receipt or deemed receipt of a Seller Title Document Response Notice in which to advise Seller of its decision to terminate this Agreement, in which case the Deposit shall be immediately returned to Purchaser. If Purchaser does not deliver a notice of termination under this Section, Purchaser shall be deemed to have waived its objections, notwithstanding the defects which Seller has refused to correct. In the event Purchaser elects to terminate this Agreement as a result of the existence of matters contained in the Title Commitment which Seller refuses to correct by Closing, then the provisions of **Section 11** shall apply.

(c) Any matter reflected in the Title Commitment and not objected to by Purchaser or as to which Purchaser waives or is deemed to have waived its objections in

accordance with the terms hereof, shall be deemed accepted by Purchaser and shall for purposes hereof be deemed to be the "Permitted Exceptions".

(d) If any update to the Title Commitment issued by the Title Company following the above reveals any additional lien or encumbrance, Purchaser shall have the right to object to the matters contained in such update in accordance with the provisions set forth above with a supplemental property document objection letter.

4.3 Access to Key Employees. Seller agrees to provide Purchaser with access to meet with Seller's executive director and other department heads (and no other employees of the Facility) during the Due Diligence Period. Such meetings shall be conducted with prior notice to and approval by Seller and in the presence of Seller. Purchaser shall not disclose to other members of Seller's staff or the residents, the existence of this Agreement, or of any proposed sale of the Facility. After the expiration of the Due Diligence Period, Seller shall provide Purchaser with access to the other employees of the Facility, which meetings shall also be conducted with prior notice to and approval by Seller and in the presence of Seller.

## 5. Conditions to Closing.

5.1 Purchaser's Conditions. Purchaser's obligation to purchase Seller's Assets hereunder is subject to fulfillment of each of the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by Seller at the Closing) (the "**Purchaser's Closing Conditions**"), which conditions may be waived by Purchaser only in a writing executed by Purchaser:

5.1.1 Closing Deliveries. Seller shall have delivered to Purchaser or, if applicable, to the Escrow Agent to be held in escrow in accordance with the terms of this Agreement, on or before the Closing Date the following:

(a) A Grant Deed in substantially the form annexed hereto as **Exhibit A** (the "**Deed**") in proper form for recording, duly executed and acknowledged by Seller, sufficient to convey to Purchaser fee simple title to the Real Property, free and clear of all liens and encumbrances, other than the Permitted Exceptions;

(b) A bill of sale executed by Seller in substantially the form annexed hereto as **Exhibit B** (the "**Bill of Sale**") sufficient to convey to Purchaser good and indefeasible title to the remainder of the Seller's Assets, free and clear of all liens, encumbrances and security interests;

(c) An Assignment and Assumption Agreement in substantially the form attached hereto as **Exhibit C** (the "**Assignment**") duly executed by Seller with respect to the Assumed Operating Contracts and the Resident Agreements;

(d) Such title affidavits and indemnities as may be reasonably required by the Title Company in connection with the issuance of the Title Policy (as defined below);

(e) A Foreign Investment in Real Property Tax Act affidavit duly executed by Seller in substantially the form annexed hereto as **Exhibit D**;



(f) A Form 1099-S identifying Seller's gross proceeds and tax identification number, if required by the Escrow Agent;

(g) A certificate, in form and substance reasonably acceptable to Purchaser, of Seller to the effect that the representations and warranties of Seller set forth in this Agreement are true and complete in all material respects on and as of the Closing Date and that Seller has complied with all covenants of Seller set forth herein;

(h) A counterpart copy of the Seller's "Closing Statement" prepared by the Escrow Agent and approved and signed by Seller;

(i) Written closing instructions directed to the Escrow Agent;

(j) Documentation, reasonably acceptable to the Title Company, confirming the authority of Seller to execute and deliver this Agreement and all of the documents described in this **Section 5.1.1** and to consummate the Transaction contemplated hereby;

(k) An Interim Lease, Interim Management Agreement and OTA;

(l) The consent of all other parties to the Assumed Operating Contracts for each Assumed Operating Contract that requires the consent of another party prior to the consummation of the transaction contemplated by this Agreement; and

(m) Such other customary closing documents required from the sellers of real estate in the applicable city, state and county in which the Facility is located as Purchaser or the Title Company may reasonably require.

5.1.2 Title Policy. The Title Company shall be irrevocably and unconditionally prepared and committed to issue to Purchaser a standard, or if Purchaser has paid the additional cost thereof as contemplated by **Section 6.1.1**, an extended, coverage title insurance policy insuring Purchaser's title to the Real Property as of the Closing Date subject to no exceptions other than the Permitted Exceptions, with those endorsements reasonably requested by Purchaser (provided that such endorsements are available in the State of California and are paid for in accordance with the terms in this Agreement), in an amount equal to the part of the Purchase Price allocated to the Real Property and Facility (the "**Title Policy**").

5.1.3 Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true, correct, and complete in all material respects as of the Closing Date and Seller shall be in compliance in all material respects with the terms and provisions of this Agreement, in each case subject only to exceptions permitted by this Agreement.

5.1.4 Seller's Performance. Seller shall have complied with and/or performed all of its obligations, covenants, and agreements required on the part of Seller to be complied with or performed under the terms of this Agreement prior to or at Closing.

5.1.5 Licenses and Approvals. Purchaser and/or its designee shall have obtained a RCFE license and a COA from DSS. CDPH shall have received a SNF Change of Ownership

application for Windsor Manor SNF from Purchaser that includes the executed Interim Lease and Interim Management Agreements required in **Sections 5.1.1(k)** and **5.2.2(g)**.

5.1.6 Due Diligence Review. Purchaser shall have delivered an Approval Notice pursuant to **Section 4.1.2.3**.

5.1.7 New Encumbrances. Other than new Resident Agreements entered into in the ordinary course of business by Seller, Seller shall not have encumbered or granted any interest in or to the Property or any portion thereof to any party for any reason whatsoever, include the grant or dedication of any easements, any security interest or otherwise burden the title or use of the Property or any portion thereof after the Opening of Escrow.

5.2 Seller's Conditions. Seller's obligation to sell Seller's Assets hereunder is subject to the fulfillment of each of the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by Purchaser at the Closing) (the "**Seller's Closing Conditions**"), which conditions may be waived by Seller only in a writing executed by Seller:

5.2.1 Purchase Price. Purchaser shall have delivered to Escrow Agent the Purchase Price as set forth in **Section 2** above.

5.2.2 Closing Deliveries. Purchaser shall have delivered to Seller or, if applicable, to Escrow Agent to be held in escrow in accordance with the terms of this Agreement, on or before the Closing Date the following:

- (a) The executed Assignment;
- (b) A certificate, in form and substance reasonably acceptable to Seller, of Purchaser to the effect that the representations and warranties of Purchaser set forth in this Agreement are true and complete in all material respects on and as of the Closing Date and that Purchaser has complied with all covenants of Purchaser set forth herein;
- (c) A counterpart copy of the Purchaser's "Closing Statement" prepared by the Escrow Agent and approved and signed by Purchaser;
- (d) An Assignment and Assumption Agreement in substantially the form attached hereto as **Exhibit C** (the "**Assignment**") duly executed by Purchaser with respect to the Assumed Operating Contracts and the Resident Agreements;
- (e) Written closing instructions directed to the Escrow Agent;
- (f) Documentation, reasonably acceptable to Seller and the Title Company, confirming the authority of Purchaser to execute and deliver this Agreement and all of the documents described in this **Section 5.2.2** and to consummate the transaction contemplated hereby;
- (g) An Interim Lease, Interim Management Agreement and OTA; and

(h) Such other customary closing documents required from the purchasers of real estate in the applicable city, state and county in which the Facility is located as Seller or the Title Company may reasonably require.

5.2.3 Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true, correct and complete in all material respects as of the Closing Date and Purchaser shall be in compliance in all material respects with the terms and provisions of this Agreement, in each case subject only to exceptions permitted by this Agreement.

5.2.4 Attorney General and California Department of Social Services Approval. All consents, approvals and other authorizations from the Attorney General's Office, DSS, and any other consents or approvals necessary to transfer the Assets to Purchaser, have been obtained by Seller, without the imposition of conditions unsatisfactory to Seller in its sole discretion.

5.2.5 Purchaser's Performance. Purchaser shall have complied with and/or performed all of its obligations, covenants, and agreements required on the part of Purchaser to be complied with or performed under this Agreement prior to or at Closing, including Purchaser and/or its designee having obtained the Residential Care Facility for the Elderly license and Certificate of Authority per **Section 5.1.5**.

5.3 Conditions Generally. The foregoing conditions are for the benefit only of the Party for whom they are specified to be conditions precedent and such Party may, in its sole discretion, waive any or all of such conditions and proceed with the Closing under this Agreement without any increase in, abatement of or credit against the Purchase Price.

## 6. Closing Costs and Prorations.

6.1 Costs and Expenses. All costs and expenses associated with the Transaction shall be allocated between the Parties as follows:

6.1.1 Seller shall pay the cost of a standard coverage title insurance policy with respect to the Real Property in the amount of the Purchase Price and Purchaser shall pay the additional cost to secure extended coverage and for all endorsements, as well as the cost of the Survey and any lender's title insurance policy which Purchaser may elect to obtain.

6.1.2 Seller shall pay for the transfer taxes applicable to the sale of the Real Property.

6.1.3 Purchaser shall pay all of the costs associated with the Due Diligence Review.

6.1.4 Each of the Parties shall each pay their own legal fees and expenses.

6.1.5 Purchaser and Seller shall share on a 50-50 basis all escrow fees.

6.1.6 Seller shall pay the cost of recording the Deed and all recording fees required to remove any exceptions from title other than the Permitted Exceptions and Purchaser shall pay any other recording fees.

6.1.7 Purchaser shall pay any and all filing fees and all other costs which may be due in connection with securing the Purchaser's licenses and permits necessary to operate the Facility.

## 6.2 Prorations and Adjustments.

6.2.1 All of the revenues and expenses related to the ownership of the Seller's Assets and the operation of the Facility as of the Closing Date shall be prorated between Seller and Purchaser, with Seller entitled to such revenues and responsible for such expenses for the period prior to the Closing Date and with Purchaser entitled to such revenues and responsible for such expenses for the period from and after the Closing Date. For the avoidance of doubt, any market rate fees due to any resident referral/placement agencies shall be the responsibility of Seller to the extent the applicable resident commenced occupancy at the Facility at any time prior to the Closing Date and shall be the responsibility of Purchaser to the extent the applicable resident commences occupancy at the Facility at any time on or after the Closing Date. Similarly, any amounts due under the Operating Contracts relating to the Facility and Business for services rendered or goods received prior to the Closing Date, whether an Assigned Contract or not, shall be the responsibility of Seller. Further, the parties acknowledge and agree that post-Closing Seller will continue to collect certain governmental receivables for services rendered by Seller prior to Closing as set forth in Section 10.7 below and pursuant to the terms of the OTA.

6.2.2 Real and personal property taxes shall be prorated as of the Closing Date, with Seller responsible therefor for the period prior to the Closing Date and with Purchaser responsible therefor for the period from and after the Closing Date. Such proration shall be based on the most recently available tax bills and shall be subject to re-proration after Closing in accordance with the provisions of **Section 6.2.3** below.

6.2.3 Prior to Closing, Seller shall arrange for a final statement with respect to all utilities serving the Real Property and the Facility as of the Closing Date and shall pay all fees identified thereon and Purchaser shall arrange for all such utilities to be billed in its name from and after the Closing Date and shall pay all fees due therefor as of the Closing Date.

6.2.4 All amounts which are subject to proration under the terms of this Agreement and which require adjustment after the Closing Date shall be settled within sixty (60) days after the Closing Date or, in the event the information necessary for such adjustment is not available within said sixty (60) day period, then within ten (10) Business Days of receipt of information by either Party necessary to settle the amounts subject to proration and, unless otherwise set forth herein, any payment owed shall be made within fifteen (15) days of a Party's receipt of a request for payment. In the event of a disagreement regarding any item(s) (or the amount of any item(s)) subject to proration under the terms of this Agreement, Seller and Purchaser shall negotiate in good faith to resolve any such disagreement within ten (10) Business Days after either Party articulates to the other a basis for disagreement. If the Parties are unable to resolve

such dispute within ten (10) Business Days, then the Parties shall appoint an independent accounting firm of national or regional reputation as is mutually acceptable to the Seller and Purchaser and having no current relationship with either Seller or Purchaser or any affiliate thereof (an "**Independent Accounting Firm**"), which shall review the items then subject to disagreement and determine the appropriate proration within thirty (30) days after such appointment. The Parties agree to cooperate with the Independent Accounting Firm and provide it with such information as it reasonably requests to enable it to make such determination. The determination by the Independent Accounting Firm with respect to each item in dispute shall be conclusive and binding on the Parties hereto. All fees and expenses billed by the Independent Accounting Firm in connection with the resolution of disputes under this Section shall be borne one-half by Seller and one-half by Purchaser.

6.2.5 This **Section 6** shall survive the Closing.

7. **Seller's Representations, Warranties and Covenants.** Seller does hereby warrant and represent to Purchaser solely in its capacity as the owner of the Facility and the Real Property (and not on behalf of any facility or other real or personal property owned by Seller) as follows:

7.1 **Organization and Authority.** Seller is a duly organized and validly existing California non-profit public benefit corporation that is in good standing under the laws of the State of California. Seller has full power and authority to execute and deliver this Agreement and all related documents, and to carry out the Transaction contemplated herein and therein as and when due.

7.2 **Enforceability; No Conflict.** This Agreement is valid, binding and enforceable against Seller in accordance with its terms, except as such enforceability may be limited by creditors' rights laws. The execution of this Agreement and the consummation of the Transaction contemplated herein in accordance with the terms hereof do not and will not result in a breach of the terms and conditions of nor constitute a default under or violation of the Seller's organizational documents, or of any law, regulation, court order, mortgage, note, bond, indenture, agreement, license or other instrument or obligation to which Seller is now a party or by which Seller or any of the assets of Seller may be bound or affected. Except with respect to the approvals provided for in **Section 5.2.4** above, with respect to Seller, no other consent, approval, order or authorization of or from, or registration, notification, declaration or filing with any Person, including without limitation, any Government Entity, is required in connection with the execution, delivery or performance of this Agreement by Seller or the consummation by Seller of the transactions contemplated herein.

7.3 **Litigation.** Except as disclosed to Purchaser on **Schedule 7.3** hereto, there is no pending or, to Seller's knowledge, threatened litigation, administrative investigation or other proceeding with respect to or affecting Seller, the Real Property, the Facility or the Business, at law or in equity. Seller is not a party to, nor is Seller or the Real Property, Facility or Business bound by, any orders, judgments, injunctions, decrees or settlement agreements under which Purchaser may have continuing obligations after the Closing Date. **Schedule 7.3** lists all ongoing actions against the Seller at law or in equity and a summary of prior legal proceedings against Seller (including, without limitation, general/professional liability, employment, property and

workers' compensation legal proceedings) for the prior three (3) years with the Due Diligence Materials.

7.4 Compliance with Law. Seller has received no written notice that the Facility or Business is not in compliance with applicable laws, nor is Seller aware of any condition that would reasonably be expected to give rise to such non-compliance.

7.5 The Facility. The Facility is a licensed continuing care retirement community. Seller holds the following licenses and certificates ("**Licenses**"): (i) Residential Care Facility for the Elderly license issued by DSS, (ii) a Certificate of Authority issued by DSS, and (iii) a SNF license issued by CDPH. True and correct copies of the current Licenses to operate the Facility, the form of Resident Agreements in use at the Facility (the "**Resident Agreements**") and rent roll for the Facility (the "**Rent Roll**") have been provided to Purchaser as part of the Due Diligence Review. The Rent Roll shall be updated by Seller monthly. The Licenses are in full force and effect.

7.6 Employees of the Facility; Unions. All of the employees of the Business at the Facility are the employees of Seller. None of the employees of the Business at the Facility are members of a labor union or subject to any collective bargaining agreement nor to Seller's knowledge are such employees engaged in any union organizing activities or threatened an attempt to organize or establish any labor union or employee association to represent any employees. Seller is not a party to any labor dispute or grievances with respect to the operations at the Facility. Except as disclosed to Purchaser on **Schedule 7.3** hereto, Seller has received no written notice of nor does Seller have knowledge of any non-compliance with applicable laws governing employment and employee relations, including laws relating to employment discrimination, sexual harassment, civil rights, equal pay, wages, meal and rest breaks, hours, overtime, sick leave, collective bargaining and labor relations, occupational safety and health, workers' compensation, immigration, or the withholding and payment of income, social security (FICA) or similar taxes, and any similar laws of any foreign jurisdiction. Except as disclosed to Purchaser on **Schedule 7.3** hereto, to Seller's knowledge, no action alleging a violation of any applicable employment law has been threatened. Seller hereby acknowledges that it has I-9's on file at the Facility for each of the employees of Seller. To Seller's knowledge, Seller does not have any existing workers' compensation liabilities with respect to Seller's employees that are not covered by insurance. Purchaser will not have any liability to any employee (or to any Government Entity with respect to any such employee) under any such law or regulation relating to actions arising out of or related to any event occurring on or before the Closing Date. Seller will not have any liability to any employee (or to any Government Entity with respect to any such employee) under any law or regulation relating to actions arising out of or related to any event occurring after the Closing Date.

7.7 Condemnation; Reassessment. Seller has not received written notice of any (a) condemnation proceeding relating to the Real Property, (b) reclassification of any or all of the Real Property for local zoning purposes, or (c) reassessment or reclassification of any or all of the Real Property for state or local real property taxation purposes. To Seller's knowledge, no such actions have been threatened.

7.8 Operating Contracts. Copies of all written operating contracts and equipment leases to which Seller is a party in connection with the ownership and/or operation of the Facility (collectively, the "**Operating Contracts**") have been provided to Purchaser as part of the Due Diligence Review. Each of the Operating Contracts is in full force and effect, none of the Operating Contracts has been modified or amended except any modifications or amendments provided to Purchaser as part of the Due Diligence Review, and, to Seller's knowledge, Seller is in compliance in all material respects with all obligations under the Operating Contracts. Seller has received no written notice that it or the Facility is in default of any obligations under the Operating Contracts.

7.9 Executive Order 13224. None of Seller or the entities or individuals that constitute Seller, or that may own or control Seller, or that may be owned or controlled by Seller (in all cases, other than through the ownership of publicly traded, direct or indirect, ownership interests) are: (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tllsdn.pdf> or any replacement website or other replacement official publication of such list which identifies an "Specially Designated National" or "blocked person."

7.10 Tax Returns. To Seller's knowledge, all tax returns and reports required by law to be filed by Seller relating to the ownership and operation of the Business prior to Closing (collectively, "**Tax Returns**") have been or will be properly and timely filed (subject to the right to extend or delay the filing thereof) and do, or at the time of the filing thereof will, correctly reflect the tax position of Seller and all taxes due under such Tax Returns have been or will be timely objected to, disputed and/or paid. Moreover, to Seller's knowledge, (i) no liens have been filed against Seller or Seller's Assets in respect of taxes, and no waivers of statutes of limitations have been given or requested with respect to Seller; (ii) there are no pending tax audits or other proceedings with respect to Seller or Seller's Tax Returns nor has Seller been notified of any dispute or claim with respect to taxes that has not been resolved; (iii) Seller is not now a party to any tax sharing, allocation or distribution agreement; and (iv) Seller has no obligation to make (or possibly make) any payments that will be non-deductible under, or would otherwise constitute a "parachute payment" within the meaning of, Section 280G of the Code (or any corresponding provision of state, local or foreign income Tax law).

7.11 No Violations of Environmental Laws. To Seller's knowledge and except as disclosed in the Property Materials or any environmental reports obtained by Purchaser in connection with this Agreement: (a) the Property is not nor has it been under investigation for violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under, or about the Property, including, but not limited to, soil and groundwater conditions ("**Environmental Laws**"); (b) the Property has not been subject to a deposit of any Hazardous Substance except in compliance with applicable laws; (c) Seller has not used, generated, manufactured, stored, or disposed in, at, on, or under the Property any Hazardous Substance except in compliance with applicable laws; and (d) there is not now in, on, or under the Property any underground or above ground storage tanks or surface impoundments, any asbestos containing materials, or any polychlorinated biphenyls used in hydraulic oils, electrical transformers, or other equipment. Seller hereby assigns to Purchaser

as of the Closing all claims, counterclaims, defenses, and actions, whether at common law or pursuant to any other applicable federal, state or other laws that Seller may have against any third party or parties relating to the existence or presence of any Hazardous Substance in, at, on, under, or about the Property. For purpose of this Agreement, the term "Hazardous Substance" shall be deemed to include any wastes, materials, substances, pollutants, and other matters regulated by Environmental Laws including, without limitation, per- and polyfluoroalkyl substances (PFAS).

7.12 Health Care Representations. To Seller's knowledge, Seller is not a target of, participant in, or subject to any pending or threatened action, proceeding, suit, audit, investigation or sanction by any Health Care Authority or any other administrative or investigative body or entity or any other third party payor or any patient or resident which could reasonably be expected to have a material adverse effect on Seller, or the operation of the Facility. With respect to Windsor Manor SNF, Seller is certified for participation in the Medicare and Medi-Cal programs, and has current and valid provider contracts with each of such programs. Seller has no pending license revocation or suspension proceedings, outstanding or uncompleted plan of correction that remains outstanding or uncompleted beyond its stated due date, denial of payment or denial of new admission orders or directives from Medicare or Medi-Cal. Seller has no pending or outstanding allegations or orders for civil money penalties or recoupment payments from the Medicare and/or Medi-Cal programs.

7.13 Financial Statements. Each of the audited Financial Statements of the Business provided by Seller to Purchaser as part of the Due Diligence Materials has been prepared in accordance with GAAP applied on a consistent basis (except as otherwise may be indicated therein) and in accordance with the books and records of Seller. Each of the Financial Statements is complete and accurate and presents fairly in all material respects the financial position of Seller at the dates thereof and the results of operations and cash flows for the periods indicated subject, in the case of interim Financial Statements, to normal year-end adjustments and that interim financial statements do not include footnote disclosure. To Seller's knowledge, since December 31, 2019, except as required by applicable law or changes in GAAP, there has been no change in any accounting principle, procedure, or practice followed by Seller or in the method of applying any such principle, procedure, or practice.

7.14 Undisclosed Liabilities. To Seller's knowledge, Seller does not have any liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise), except for liabilities or obligations reflected or reserved against in the Financial Statements and liabilities incurred in the ordinary course of Business since the respective dates thereof.

7.15 Absence of Certain Developments. Since January 1, 2021, the Company has conducted the Business only in the ordinary course of business, as applicable, consistent with past practice, including with regard to nature, frequency and magnitude.

7.16 Anti-Bribery.

7.16.1 Neither Seller nor any of its officers or directors, or any employee, agent, distributor or other person acting on behalf of Seller has, directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to



political activity, made any unlawful payment to foreign or domestic government officials or employees or made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, or taken any action which would cause them to be in violation of any Anti-Corruption or Anti-Bribery Law.

7.16.2 There is no pending or threatened claims, charges, investigations, violations, settlements, civil or criminal enforcement actions, lawsuits, or other court actions against Seller with respect to any Anti-Corruption or Anti-Bribery Law.

7.16.3 To Seller's Knowledge, there are no actions, conditions, or circumstances pertaining to the activities of Seller that would reasonably be expected to give rise to any claims, charges, investigations, violations, settlements, civil or criminal actions, lawsuits, or other court actions under any Anti-Corruption or Anti-Bribery Law.

7.17 Sufficiency and Condition of Assets. Excluding the Other Assets, Seller's Assets: (a) constitute all of the assets, tangible and intangible, of any nature whatsoever, necessary to operate the Business in the manner presently operated by Seller, and (b) include no assets other than those used in the operation of the Business. Seller has good and valid title, or a leasehold interest in, all of Seller's Assets, free and clear of all liens.

#### 7.18 Contracts.

7.18.1 The Due Diligence Materials contain copies of the Assumed Contracts to which Seller is a party and that are related to the Business. As of the Effective Date, Seller has no knowledge of any material disputes with any existing vendors of the Facility and Seller agrees to disclose to Purchaser any material disputes with vendors arising prior to Closing.

7.18.2 To Seller's knowledge: (i) Seller is not in default under any of the Assumed Contracts; (ii) there has not occurred any event that, with the lapse of time or the giving of notice, or both, would constitute such a default; and (iii) no party to any of the Assumed Contracts other than Seller is in default under any Assumed Contract nor has any event occurred that, with the lapse of time or the giving of notice, or both, would constitute such a default by any such other party.

7.18.3 To Seller's knowledge, each Assumed Contract is in full force and effect and is valid and enforceable in accordance with its terms.

#### 7.19 Legal Compliance; Permits and Licenses.

7.19.1 (i) Seller has received no written notice that the Facility or Business is not in compliance in all material respects with applicable laws, ordinances, rules, regulations, judgments, orders, decrees, and Permits of all Governmental Entities that are applicable to Seller, and to Seller's Knowledge, Seller is in compliance in all material respects; and (ii) to Seller's knowledge, no investigation by any Governmental Entity with respect to Seller, the operation of the Business, or the ownership or use of any of the Seller Assets is pending or threatened.

7.19.2 (i) Seller holds all material Permits required for the operation of the Business (including, without limitation, all material Permits required by any Environmental Laws), all of which are valid and in full force and effect in all material respects; and (ii) Seller has not received any notice that any Governmental Entity which has issued any such Permit intends to cancel, terminate or not renew any such Permit

7.20 Labor Matters. Seller shall provide a redacted list of all persons who are employees, independent contractors or consultants of the Business as of the date hereof in the Due Diligence Materials, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) title or position (including whether full-time or part-time); (ii) hire or retention date; (iii) current annual base compensation rate or contract fee; and (iv) commission, bonus or other incentive-based compensation.

7.20.1 (i) Seller has received no written notice that the Facility or Business is not in compliance in all material respects with all applicable laws and regulations respecting employment, including, without limitation, laws and regulations respecting employment practices, employment terms and conditions, wages and hours, tax withholding, immigration and collective bargaining, and is not engaged in any unfair labor practice, except as disclosed on **Schedule 7.3**; (ii) except as disclosed to Purchaser on **Schedule 7.3** hereto, there is no pending or, to Seller's knowledge, threatened charge, complaint, or grievance against Seller related to any employment law or regulation; (iii) there is no labor strike, material dispute, slowdown or stoppage actually pending or, to Seller's knowledge, threatened against or involving Seller; and (iv) to Seller's knowledge, there is no threat of unionization involving Seller or any of its employees.

7.20.2 To Seller's knowledge, Seller is not delinquent in payments to any of their employees or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any services performed by them to date or amounts required to be reimbursed to such employees or independent contractors.

7.21 Employee Benefit Plans.

7.21.1 Employee Benefit Plans. **Schedule 7.21.1** sets forth a complete list of all material employee retirement, welfare, bonus, incentive, deferred compensation, vacation, equity, severance, employment, change of control, and/or fringe benefit plans, programs, policies, practices, and/or other arrangements: (i) covering any current employee, officer or director of Seller or any ERISA Affiliate; (ii) that are sponsored or maintained by Seller or any ERISA Affiliate; or (iii) with respect to which either Seller or any ERISA Affiliate has any current or potential liability (each, a "**Plan**").

7.21.2 Administration and Compliance of the Plans. With respect to each Plan, to Seller's knowledge:

7.21.2.1 all required, declared or discretionary (in accordance with historical practices) payments, premiums, contributions, reimbursements or accruals for all periods ending prior to or as of the Closing Date have been made or properly accrued on the latest balance

sheet included in the Financial Statements or with respect to accruals properly made after the date of the latest balance sheet included in the Financial Statements, on the books and records of Seller;

7.21.2.2 there is no unfunded liability relating to any Plan which is not reflected on the latest balance sheet included in the Financial Statements or with respect to accruals properly made after the date of the latest balance sheet included in the Financial Statements, on the books and records of Seller; and

7.21.2.3 there have been no violations of applicable laws with respect thereto; neither Seller nor any of its agents or delegates has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets thereof; no Plan has engaged in or been a party to a "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975(c) of the Code) without an exemption applying thereto; no Proceeding with respect to the administration or the investment of the assets thereof (other than routine claims for benefits) for which Seller or any ERISA Affiliate could have any liability is pending or threatened, and Seller does not have any knowledge of any basis for any a Proceeding with respect to any Plan.

7.22 Certain Fees and Liabilities. Seller has not paid or is obligated to pay any fee or commission to any broker, finder, or intermediary in connection with the transactions contemplated by this Agreement.

7.23 For purposes of this Agreement, "Health Care Authority/ies" shall mean any Governmental Entity or quasi-Governmental Entity or any agency, intermediary, board, authority or entity with lawful jurisdiction over Seller and concerned with the ownership, operation, use or occupancy of the Facility as a licensed continuing care retirement community.

Upon Purchaser becoming aware (whether by notice from Seller or otherwise) of any fact which would materially adversely change any of the representations or warranties contained herein or would otherwise constitute a breach thereof by Seller, the provisions of **Section 11** shall apply. For purposes of this **Section 7**, "Seller's knowledge" or similar phrase means: the current actual knowledge of Dan Ogus without a duty of investigation or inquiry, and nothing in this Agreement shall be deemed to create or impose any personal liability of any kind whatsoever on such party. Seller represents and warrants that Dan Ogus is the person most knowledgeable about the subject matter contained in each representation and warranty provided in such manner. Further, the parties acknowledge and agree that the representations and warranties made by Seller herein relate only to the Facility and Business being purchased by Purchaser and specifically exclude the Other Assets.

8. **Purchaser's Representations and Warranties.** Purchaser represents and warrants as follows:

8.1 Organization and Authority. Purchaser is a duly organized and validly existing California non-profit public benefit corporation that is in good standing under the laws of the State of California, and is recognized by the Internal Revenue Service as an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Purchaser has full power

and authority to execute and deliver this Agreement and all related documents, and to carry out the Transaction contemplated herein and therein as and when due.

8.2 Enforceability; No Conflict. This Agreement is valid, binding and enforceable against Purchaser in accordance with its terms except as such enforceability may be limited by creditors' rights laws and general principles of equity. The execution of this Agreement and the consummation of the Transaction contemplated herein in accordance with the terms hereof do not and will not result in a breach of the terms and conditions of nor constitute a default under, or a violation of, Purchaser's limited liability company documents, or of any law, regulation, court order, mortgage, note, bond, indenture, agreement, license or other instrument or obligation to which Purchaser is now a party or by which any of the assets of Purchaser are bound or affected.

8.3 Litigation. The right or ability of Purchaser to consummate the Transaction contemplated herein has not been challenged by any governmental agency or any other person and Purchaser has no knowledge of the occurrence of any event which would provide a reasonable basis for any such litigation, investigation or other proceeding.

8.4 Financing. Purchaser has access to the funds required to pay the Purchase Price and other costs for which Purchaser is responsible under this Agreement. Accordingly, as a material inducement to Seller's willingness to enter into this Agreement with Purchaser, Purchaser represents, warrants, acknowledges and agrees that arranging financing shall not be a condition to the Purchaser's ability to consummate the Transaction provided for herein.

8.5 AS IS. IT IS UNDERSTOOD AND AGREED THAT EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT, (A) SELLER'S ASSETS ARE BEING SOLD BY SELLER AND PURCHASED AND ACCEPTED BY PURCHASER ON AN "AS IS," "WHERE IS" AND "WITH ALL FAULTS" BASIS, SUBJECT TO ANY CONDITION WHICH MAY EXIST, AND WITHOUT THE EXISTENCE OF AND WITHOUT RELIANCE UPON ANY REPRESENTATION, WARRANTY, AGREEMENT, OR STATEMENT BY SELLER, OR ANYONE ACTING ON BEHALF OF SELLER EXCEPT THOSE REPRESENTATIONS, WARRANTIES AND AGREEMENTS SPECIFICALLY SET FORTH IN THIS AGREEMENT; (B) PURCHASER IS BEING GIVEN THE OPPORTUNITY TO THOROUGHLY INSPECT AND EXAMINE SELLER'S ASSETS TO THE EXTENT DEEMED NECESSARY BY PURCHASER IN ORDER TO ENABLE PURCHASER TO EVALUATE THE PURCHASE OF THE SELLER'S ASSETS ON THE FOREGOING BASIS; AND (C) PURCHASER IS RELYING SOLELY UPON SUCH INSPECTIONS, EXAMINATION, AND EVALUATION OF SELLER'S ASSETS BY PURCHASER IN PURCHASING THE SELLER'S ASSETS ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, EXCEPT AS MAY BE SET FORTH IN THIS AGREEMENT. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER REGARDING ANY INTELLECTUAL PROPERTY RIGHTS. SELLER EXPRESSLY DISCLAIMS, WHICH PURCHASER HEREBY ACKNOWLEDGES AND ACCEPTS, ANY IMPLIED WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

9. **Pre-Closing Covenants/Risk of Loss.**

9.1 **Conduct Pending Closing.** Between the Execution Date and the Closing Date, Seller covenants as follows:

9.1.1 Seller will operate the Facility and Business in the ordinary course of business, in compliance with all applicable law, including, but not limited to, the rules and regulations of any Health Care Authority, and, unless consented to by Purchaser, will not sell or dispose of any of the Seller's Assets or enter into any contract, commitment or agreement affecting Seller's Assets except in the ordinary course of business, including, but not limited to, any Resident Agreement which deviates in any material respect from the form of Resident Agreement provided to Purchaser under the term of this Agreement.

9.1.2 From time to time between the Execution Date and the Closing Date, Seller will provide to Purchaser such information as Purchaser may reasonably require in order to allow Purchaser to secure the New Licenses (as defined below).

9.1.3 Seller will cooperate in Purchaser's efforts to conduct the Due Diligence Review including, but not limited to, providing Purchaser and its agents and employees with access to the Facility and to the books and records of the Facility; *provided, however*, that such access and inspection shall be on no less than 48 hours' prior notice (or if longer, the notice required under applicable law, including, without limitation, residential landlord tenant law) and during normal business hours at such time and in such manner as the Parties shall reasonably agree upon. Notwithstanding the above, access to the Facility may be limited during the current COVID pandemic based on the regulation, guidelines or recommendations of the any Health Care Authority, State of California and other state or federal regulatory agencies.

9.1.4 Seller will maintain in force the existing hazard and liability insurance policies, or comparable coverage, for Seller's Assets.

9.1.5 Seller will maintain Seller's Assets in substantially the same condition as they are in as of the Execution Date, ordinary wear and tear excepted.

9.1.6 Seller shall maintain the Inventory consistent with Seller's past practices and in compliance with applicable laws, and will replenish the same consistent with Seller's past practices.

9.1.7 Unless this Agreement is terminated in accordance with the terms hereof, Seller shall not market the Seller's Assets or negotiate with any third party with respect to the sale of Seller's Assets or the equity interests in Seller.

9.2 **Risk of Loss**

9.2.1 **Condemnation.** If, prior to any Closing, all or any material portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), Seller shall immediately notify Purchaser in writing of such fact. In such event, Purchaser shall have the option to terminate this Agreement

upon written notice to Seller given within ten (10) Business Days after receipt of such notice from Seller, in which event the Deposit shall be returned to Purchaser. Notwithstanding the foregoing, Purchaser's failure to provide written notice of Purchaser's election to terminate within such ten (10) Business Day period shall be deemed Purchaser's election to terminate this Agreement. Prior to any termination or deemed termination of this Agreement, Purchaser shall have the right to participate in any proceedings and negotiations with respect to the taking and any transfer in lieu of taking (and Seller shall not consummate any transfer in lieu of taking without Purchaser's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed). If Purchaser waives the right to terminate this Agreement and elects to proceed with the Closing, then (a) Seller, at, and as a condition precedent to Purchaser's obligation to proceed with, the Closing, must: (i) pay to Purchaser (or direct Escrow Agent to credit Purchaser against the Purchase Price for) the amount of any awards for the taking (and any consideration for any transfer in lieu of taking) actually received by Seller; and (ii) assign to Purchaser by written instrument reasonably satisfactory to Purchaser all rights or claims to any future awards for the taking (and any consideration for any transfer in lieu of taking); and (b) the Parties shall proceed to the Closing pursuant to the terms hereof without further modification of the terms of this Agreement.

9.2.2 Casualty. If, at any time after the Effective Date and prior to Closing or earlier termination of this Agreement, the Property or any portion thereof is materially damaged or destroyed by fire or any other casualty (as used herein, "material" shall mean a casualty which would cost more than \$50,000 to repair or cure), Seller shall immediately notify Purchaser in writing of such fact. In the event of a material casualty, Purchaser shall have the option to terminate this Agreement upon written notice to Seller given within ten (10) Business Days after receipt of any such notice from Seller, in which event the Deposit shall be returned to Purchaser. Notwithstanding the foregoing, Purchaser's failure to provide written notice of Purchaser's election to terminate within such ten (10) Business Day period shall be deemed Purchaser's election to terminate this Agreement. Prior to any termination or deemed termination of this Agreement, Purchaser shall have the right to participate in any adjustment of the insurance claim. If Purchaser waives the right to terminate this Agreement and elects to proceed with the Closing, or in the event of a non-material casualty, then (a) Seller, at, and as a condition precedent to Purchaser's obligation to proceed with, the Closing, must agree with Purchaser to either: (i) pay to Purchaser (or direct Escrow Agent to credit Purchaser against the Purchase Price for) the amount of any insurance proceeds actually received by Seller plus the amount of any deductible under Seller's insurance; (ii) if no insurance proceeds have been received by Seller, assign to Purchaser by written instrument reasonably satisfactory to Purchaser all rights or claims to the insurance proceeds and credit Purchaser against the Purchase Price for any deductible payable under Seller's insurance policy; or (iii) have Seller repair the Property to the reasonable satisfaction of Purchaser and (b) the Parties shall proceed to the Closing pursuant to the terms hereof without further modification of the terms of this Agreement. In the event of a non-material casualty, the Closing Date may be extended to the date that is five (5) business days after the date Seller has completed to Purchaser's reasonable satisfaction any repairs to the Facility necessitated by the casualty.

## 10. Operations Transfer Provisions.

10.1 Licenses. On or prior to the expiration of the Due Diligence Period and concurrent with Seller's delivery of the Approval Notice, Purchaser shall submit a change of ownership

application ("**CHOW**") with DSS pursuant to which Purchaser will obtain a new **RCFE License** to operate the Residential Care Facility for the Elderly portion of the Facility. On or prior to the expiration of the Due Diligence Period, Purchaser shall submit an application for a new certificate of Authority with DSS pursuant to which Purchaser will obtain a new COA to enter into continuing care contracts with residents of the Facility and operate the Facility as a continuing care retirement community. On or prior to the expiration of the Due Diligence Period, Purchaser shall submit a SNF license application ("**SNF Application**") with CDPH pursuant to which Purchaser will obtain a new SNF license ("**SNF License**") to operate the Windsor Manor SNF portion of the Facility. The parties acknowledge that Purchaser must obtain the RCFE License and COA on the Closing date. Following the submission of the applications for the RCFE License, COA and SNF License, Purchaser will take and/or cause its designee to take such actions as are necessary to obtain the RCFE License, COA and SNF License in a timely manner, including, without limitation, submitting any missing information required for Purchaser's licensing applications reasonably promptly following receipt thereof by Purchaser. Purchaser shall notify the Seller promptly following its submission of the license applications and shall keep Seller reasonably informed as to the status of the license applications, including without limitation, informing Seller of any material communications with DSS and/or CDPH as to the timing of the issuance of the RCFE License, COA and SNF License.

10.2 Interim Lease and Management Agreements. Seller and Purchaser acknowledge that Purchaser will be unable to obtain the SNF License on the Closing Date and that the Parties will need to enter into an interim arrangement to allow the continued operation of the Windsor Manor SNF under Seller's SNF License until the Purchaser's SNF License is issued. The Parties shall enter into an Interim Lease ("**Interim Lease**"), Interim Management Agreement ("**Interim Management Agreement**"), and SNF operations transfer agreement ("**OTA**") to be negotiated and agreed upon in good faith during the Due Diligence Period. If the parties cannot agree on a form of OTA, Interim Lease and/or Interim Management Agreement prior to the expiration of the Due Diligence Period, either party may terminate this Agreement upon written notice to the other in which case neither party shall have any further rights or obligations hereunder except as expressly provided for herein.

10.3 Notices. Seller is required to provide one hundred and twenty (120) days' written notice to DSS of the Transaction and to Seller's RCFE residents at least thirty (30) days prior to Closing (the "**CHOW Notice**") and to Seller's SNF residents at least ninety (90) days prior to Closing. Seller is also required to provide written notice to CDPH of the Transaction. Purchaser and Seller shall jointly approve the notices set forth in this Section.

10.4 CHOMs. On or prior to the expiration of the Due Diligence Period, if mutually agreed to by Seller and Purchaser, Purchaser shall submit change of manager applications to DSS with respect to the RCFE License and COA, and CDPH with respect to the SNF License pursuant to which Purchaser will become the manager of the Facility as approved by DSS and CDPH. During the Due Diligence Period, if the parties mutually agree that Purchaser will submit change of manager applications, the parties will agree upon a mutually agreeable form of management agreement pursuant to which Purchaser will manage the Facility prior to Closing.

## 10.5 Employees.

10.5.1 At the Closing Date, Seller shall terminate all of the employees of the Facility and shall pay to them any wages and other benefits which are due as of the Closing Date under Seller's employment policies and applicable State law. Purchaser shall only conduct employee interviews within thirty (30) days before the Closing Date and Seller shall help Purchaser facilitate the employee interviews. In accordance with Cal H & S Code Section 1267.62, at least ten (10) days preceding the Closing Date, except for the Retained Employees, Purchaser shall provide written offers of employment, as of the Closing Date, to all of the skilled nursing employees of the Facility for a 60-day transition period in the employee's primary language or another language in which the employee is literate conditioned only on the occurrence of the Closing Date (the "**SNF Employees**"). The offer to the SNF Employees shall state the time within which the employee shall accept the offer, but that time period may not be fewer than ten (10) days. During the 60-day transition period, Purchaser shall not discharge without cause any SNF Employee that accepts Purchaser's offer of employment ("**SNF Hired Employees**") pursuant to this **Section 10.5.1**. Cause shall be based only on the performance or conduct of the particular SNF Hired Employee. During the 60-day transition period, a SNF Hired Employee shall not suffer any reduction in wages, benefits, or other terms and conditions of employment, economic or otherwise, as a result of the transfer or change of ownership.

10.5.2 In addition to the Purchaser's hiring of all SNF Hired Employees pursuant to **Section 10.5.1**, in order to insure that the transaction does not trigger any notice obligations under the California WARN Act, at least ten (10) days preceding the Closing Date, Purchaser shall offer to employ as of the Closing Date a total number of the remaining employees of the Facility conditioned only on the occurrence of the Closing Date (the "**Hired RCFE Employees**") such that there does not result in a total loss of employment during any 30-day period of fifty (50) or more employees – in other words the total number of employees that the Purchaser does not offer employment cannot exceed forty-nine (49) employees. The parties hereto agree that, notwithstanding anything to the contrary contained in this Agreement, Purchaser shall hire that number or percentage of employees and upon such terms so as to avoid applicability of the Worker Adjustment Retraining and Notification Act and any other applicable laws or regulations requiring notice prior to plant or facility closings or a mass layoff, due to the transaction contemplated hereby and by this Agreement. Purchaser acknowledges and agrees that Seller is relying on Purchaser's agreement as set forth in this **Section 10.5** in not giving notice to the employees of the Facility of the Transaction provided for herein under the provisions of the WARN.

10.5.3 As of the Closing, Seller shall deliver to Purchaser the file for all employees hired by Purchaser in Seller's possession, including but not limited to training records, licenses and certifications, criminal background check results, and other required documents. Seller shall have satisfied its obligations under this **Section 10.5.2** as long as all of such employee records are present at the Facility on the Closing Date. Seller shall segregate and remove from the Facility all records of former employees who are not hired by Purchaser.



#### 10.5.4 Salaries and Benefits.

10.5.4.1 Seller shall be responsible for: (A) the payment of all wages and other remuneration due to Seller's employees for their services as employees of Seller through the conclusion of Hired Employees' employment with Seller, including pro rata bonus and commission payments and all vacation, paid time off and sick leave pay obligations to the extent accrued prior to the Closing Date and required by applicable law; and (B) the payment of any termination or severance payments and the provision of health plan continuation coverage in accordance with the requirements of COBRA and Sections 601 through 608 of ERISA.

10.5.4.2 Seller shall be liable for any claims made or incurred by Hired Employees and/or their beneficiaries through the Closing Date, including, but not limited to, claims made under any law or under the Plans, and Seller agrees to defend, indemnify and to hold Purchaser harmless from any costs, losses, damages, liabilities, claims and obligations incurred related thereto, including attorneys' fees. For purposes of the immediately preceding sentence, a claim will be deemed incurred when the conduct that is the subject of the claim occurs or when services that are the subject of the claim are performed and, in the case of other benefits (such as disability or life insurance), when an event has occurred or when a condition has been diagnosed that entitles the employee to the benefit.

10.5.4.3 No Transfer of Assets. Seller will not make any transfer of pension or other employee benefit plan assets to Purchaser.

#### 10.5.4.4 General Employee Provisions.

10.5.4.4.1 Seller shall provide Purchaser with completed I-9 forms and attachments with respect to all Hired Employees, except for such employees as Seller certify in writing to Purchaser are exempt from such requirement.

10.5.4.4.2 Purchaser shall not have any responsibility, liability or obligation arising prior to Closing (based on conduct of Seller occurring prior to Closing) whether to Hired Employees, former employees, their beneficiaries or to any other Person, with respect to any employee benefit plans, practices, programs or arrangements (including the establishment, operation or termination thereof and the notification and provision of COBRA coverage extension) maintained by Seller.

10.5.5 To the extent permitted by applicable law, Seller shall deliver to Purchaser the full and complete employment file for all current employees in Seller's possession, including, but not limited to, training records, licenses and certifications, criminal background check results, performance reviews, and other required documents, in connection with Purchaser's review and investigation of prospective employment of Seller's employees. Seller shall have satisfied its obligations under this **Section 10.5.4** as long as all of such employee records are present at the Facility as of the Closing Date. Seller shall segregate and remove from the Facility all records of former employees who are not hired by Purchaser.

10.6 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Seller's Assets to Purchaser; it being understood that any liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

10.7 Accounts Receivable.

10.7.1 Within ten (10) days prior to the Closing Date, Seller shall provide Purchaser with a detailed listing of Seller's accounts receivable which arose from the provision of goods or services prior to the Closing Date and are anticipated to be outstanding on the Closing Date (the "**Pre-Closing AR Schedule**"), and Seller shall provide Purchaser with an update to such schedule as of the Closing Date as soon as possible post-Closing.

10.7.2 Except as set forth in the OTA between Seller and Purchaser, from and after the Closing Date, Purchaser, or its management agent shall assume responsibility for the billing for and collection of payments on account of services rendered or goods sold by Purchaser on and after the Closing Date and Seller shall retain all right, title and interest in and to and all responsibility for the collection of its accounts receivable for services rendered or goods sold prior to the Closing Date.

10.7.3 Except as set forth in the OTA, if any payments are received after the Closing Date by either Party which either specifically indicate on the check or accompanying remittance advice, or if the Parties agree in their reasonable discretion, that they relate to provision of goods or services prior to the Closing Date, they shall either be retained by Seller if received by Seller, or if they have been received by Purchaser, they shall be remitted to Seller, along with the applicable remittance advice, promptly, but in no event more than five (5) Business Days, after receipt thereof.

10.7.4 Except as set forth in the OTA, if any payments are received after the Closing Date by either Party which either specifically indicate on the check or accompanying remittance advice, or if the Parties agree in their reasonable discretion, that they relate to provision of goods or services from and after the Closing Date, they shall either be retained by Purchaser if received by Purchaser, or if they have been received by Seller, they shall be remitted to Purchaser, along with the applicable remittance advice, promptly, but in no event more than five (5) Business Days, after receipt thereof.

10.7.5 Except as set forth in the OTA, if any payments are received by Purchaser after the Closing Date from residents with balances due for the periods both prior to and after the Closing Date, which do not specifically indicate a period of time on the check or accompanying remittance advice and the Parties do not otherwise agree to which period they relate, such payments shall be applied first to then current amounts owed the Purchaser to reduce post-Closing Date balances and Purchaser shall remit to Seller any excess up to the amount due Seller for pre-Closing Date balances (as reflected on the Pre-Closing AR Schedule) within five (5) Business Days after receipt.

10.7.6 Except as set forth in the OTA, if any payments are received by Seller after the Closing Date from residents with balances due for the periods both prior to and after the Closing Date, which do not specifically indicate a period of time on the check or accompanying remittance advice and the Parties do not otherwise agree to which period they relate, such payments shall be applied first to pre-Closing Date balances (as reflected on the Pre-Closing AR Schedule) and Seller shall remit the excess, if any, to Purchaser to reduce any post-Closing Date balances within five (5) Business Days after receipt.

10.7.7 Seller shall have the right during normal business hours and on reasonable notice to Purchaser to inspect Purchaser's books and records with respect to the accounts receivable received by it after the Closing Date from residents with balances due as of the Closing Date.

#### 10.8 Access to Records.

10.8.1 From and after the Closing Date and, except as otherwise specifically provided below, for a period of seven (7) years thereafter, each party hereto agrees to give the other (and their agents and representatives) reasonable access to (upon reasonable prior written notice and during normal business hours), and to make copies of (at the requesting party's expense), the books and records and supporting material of the Facility which are in said party's possession, to the extent reasonably necessary to enable said party to among other things investigate and defend malpractice, employee or other claims and to file or defend cost reports and tax returns.

10.8.2 Seller shall have the right, at its sole cost and expense, within three (3) days of the delivery of a request therefor to Purchaser to enter the Facility and remove originals or copies of any of the records delivered to Purchaser for purposes of litigation involving a resident or employee to whom such record relates. If an officer of or counsel for Seller certifies that an original of such record must be produced in order to comply with applicable law or the order of a court of competent jurisdiction in connection with such litigation then the records so removed shall be an original. Any record so removed shall promptly be returned to Purchaser following its use, and nothing herein shall be interpreted to prohibit Purchaser from retaining copies of any such documents. All cost of making such copies shall be for the account of Seller. Upon request of Seller, Purchaser shall cooperate with such requests and shall make its employees available to comply with such requests and assist in responding to such litigation requests provided that their availability is requested during normal business hours and does not interfere with the performance of their duties for Purchaser. In the event such use of Purchaser's employees to assist Seller is more than de minimis, Seller shall pay Purchaser's costs for the employee time spent assisting Seller.

10.9 Operating Contracts. Purchaser shall review the Operating Contracts and inform Seller during the Due Diligence Period which of such Operating Contracts Purchaser desires to assume effective as of the Closing Date (the "**Designated Operating Contracts**"). Further, the parties hereby acknowledge and agree that notwithstanding any provision to the contrary herein, no national Operating Contracts will be assigned by Seller to Purchaser at Closing. Seller shall use commercially reasonable efforts to obtain any third party consents required in connection with the assignment to Purchaser of the Designated Operating Contracts, it being understood and agreed

that (i) if a Designated Operating Contract requires consent of the counterparty to be assigned to Purchaser, such Designated Operating Contract shall not be assigned unless and until the requisite consent is received and (ii) if any principal or affiliate of Seller has guaranteed the obligations of Seller under any Designated Operating Contract, the same shall not be assigned to Purchaser unless and until the guarantor has been released from his/her/its guaranteed obligations effective from and after the Closing Date. Effective as of the Closing Date, the Designated Operating Contracts that may be assigned hereunder shall be referred to herein as the "Assumed Operating Contracts." At Closing, subject to **Section 5.1.1(I)**, (i) Seller shall assign the Assumed Operating Contracts to Purchaser pursuant to the Assignment, and (ii) terminate any Operating Contracts which are not Assumed Operating Contracts hereunder. In either case, Seller shall be responsible to pay balances owed under all Operating Contracts for good ordered and services provided prior to the Closing Date.

10.10 Benevolent Residents. The parties acknowledge that presently there are two (2) continuing care residents ("**Benevolent Residents**") at the Facility who are no longer paying a portion of their care costs due under their Resident Agreements. Seller agrees to subsidize all care costs associated with the Benevolent Residents that are not covered by Medi-Cal post-Closing until such time as the Benevolent Residents are no longer residents at the Facility. Seller shall provide the names of the Benevolent Residents to Purchaser at Closing. After Closing and on a monthly basis, Purchaser shall provide to Seller an accounting of any care costs due from Seller for the Benevolent Residents, and Seller shall pay any undisputed costs within ten (10) business days of Purchaser's request therefor. If Seller contests any of the costs due to Purchaser for the Benevolent Residents, Seller and Purchaser shall use good faith efforts to resolve any such dispute for a period of thirty (30) days thereafter, and if the parties are unable to resolve the dispute, either party shall have the right to submit the dispute to mediation for resolution before Judicial Arbitration and Mediation Service in Los Angeles, California. As of the Closing Date, Purchaser shall be solely responsible for all costs and expenses associated with any residents who apply for benevolence after Closing.

## 11. Termination and Remedies.

11.1 Termination. This Agreement may be terminated as follows:

11.1.1 By mutual written agreement of Purchaser and Seller;

11.1.2 By Seller, if any of the conditions set forth in **Section 5.2** are not fulfilled on the Closing Date, unless resulting from a material breach by Seller of its obligations hereunder, and the same shall not have been waived in writing by Seller;

11.1.3 By Purchaser, if any of the conditions set forth in **Section 5.1** are not fulfilled on the Closing Date, unless resulting from a material breach by Purchaser of its obligations hereunder, and the same shall not have been waived in writing by Purchaser; provided that if Purchaser becomes aware of any fact which would materially adversely change any of the representations or warranties contained herein or would otherwise constitute a breach thereof by Seller, Purchaser shall elect any such termination right, if at all, within eight (8) Business Days after Purchaser becomes aware of such matter;

11.1.4 By Seller in the event of a material default by Purchaser of its obligations hereunder or by Purchaser in the event of a material default by Seller of its obligations hereunder; or

11.1.5 By Purchaser pursuant to **Section 9.2** (Damage or Condemnation).

11.2 Opportunity to Cure. No Party to this Agreement may claim termination or pursue any other remedy referred to in this Section on account of a breach of a condition, covenant or warranty by the other Party, without first giving the other Party written notice of such breach and not less than ten (10) days within which to cure such breach. The Closing Date shall be postponed for up to ten (10) days if necessary to afford such opportunity to cure.

11.3 Seller's Remedies Upon Termination. In the event Seller has the right to terminate this Agreement under **Section 11.1.2** because a condition of closing has not been met (rather than because of a material default by Purchaser), then Escrow shall return the Deposit to the Purchaser and escrow shall be cancelled. In the event Seller has the right to terminate this Agreement under **Section 11.1.4** because of a material default by Purchaser, Purchaser and Seller acknowledge and agree as follows:

SELLER SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT AND TO RETAIN THE DEPOSIT AND ANY INTEREST ACCRUED THEREON AS SELLER'S SOLE AND EXCLUSIVE REMEDY AND ALL ACCRUED INTEREST THEREON AS LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGING AND AGREEING THAT THE AMOUNT OF DAMAGES WHICH SELLER MAY INCUR AS A RESULT OF SUCH TERMINATION MAY BE DIFFICULT TO ASCERTAIN AND THAT THE DEPOSIT (OR SO MUCH THEREOF AS MAY, AT THE TIME OF TERMINATION, HAVE BEEN DELIVERED BY PURCHASER TO ESCROW AGENT IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT) IS A REASONABLE AND FAIR ESTIMATE THEREOF, AFTER WHICH THE PARTIES SHALL HAVE NO FURTHER RIGHTS OR OBLIGATIONS HEREUNDER OTHER THAN THOSE RIGHTS AND OBLIGATIONS, IF ANY, WHICH SPECIFICALLY SURVIVE TERMINATION OF THIS AGREEMENT.

11.4 Purchaser's Remedies Upon Termination. In the event Purchaser has the right to terminate this Agreement under **Section 11.1.3** because a condition of closing has not been met (rather than because of a material default by Seller), then Purchaser shall have the right either to (i) waive the condition at issue and proceed with the Transaction on the terms contemplated herein, or (ii) terminate this Agreement and secure the return of the Deposit and any accrued interest thereon. In the event Purchaser has the right to terminate this Agreement under **Sections 11.1.5** because a because of a material default by Seller, Purchaser and Seller acknowledge and agree that Purchaser's sole and exclusive remedy shall be:

11.4.1 TO TERMINATE THIS AGREEMENT UPON DELIVERY OF WRITTEN NOTICE TO THE SELLER AND ESCROW AGENT (IN WHICH CASE, EXCEPT AS OTHERWISE SET FORTH HEREIN AS EXPRESSLY SURVIVING A TERMINATION OF THIS AGREEMENT AND THE PARTIES' DUTIES UNDER THIS SECTION, THE

RESPECTIVE RIGHTS, DUTIES AND OBLIGATIONS OF PURCHASER AND SELLER UNDER THIS AGREEMENT SHALL FORTHWITH TERMINATE WITHOUT FURTHER LIABILITY) AND RECOVER THE DEPOSIT AND BE REIMBURSED FOR PURCHASER'S DOCUMENTED OUT-OF-POCKET EXPENSES INCURRED BY PURCHASER IN CONNECTION WITH THIS AGREEMENT OR ITS INVESTIGATION OF THE PROPERTY (SUCH AMOUNT NOT TO EXCEED \$100,000). SELLER SHALL PAY ANY CANCELLATION CHARGES DUE TO ESCROW AGENT AND THE TITLE COMPANY. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES AND PURCHASER HEREBY WAIVES ANY AND ALL RIGHT TO PURSUE SUCH DAMAGES; OR

11.4.2 PURCHASER MAY INSTITUTE AN ACTION (WITHOUT THE NECESSITY OF PROVING IRREPARABLE HARM OR POSTING SECURITY) (A "SPECIFIC PERFORMANCE ACTION") SEEKING SPECIFIC PERFORMANCE OF SELLER'S OBLIGATIONS UNDER THIS AGREEMENT SO LONG AS PURCHASER SHALL HAVE FILED THE SPECIFIC PERFORMANCE ACTION WITHIN SIXTY (60) DAYS OF THE DATE THE CLOSING WAS TO HAVE OCCURRED. PURCHASER IS EXPRESSLY PROHIBITED FROM RECORDING A NOTICE OF LIS PENDENS AGAINST THE PROPERTY.

IF PURCHASER RECOVERS LIQUIDATED DAMAGES IN ACCORDANCE WITH SECTION 12.1(a), SUCH AMOUNTS SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF PURCHASER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE AND SHALL CONSTITUTE PURCHASER'S SOLE AND EXCLUSIVE REMEDIES FOR SELLER'S FAILURE TO CLOSE ESCROW.

THE FOREGOING SHALL NOT LIMIT PURCHASER'S RIGHTS OR REMEDIES (WHETHER ARISING AT LAW OR IN EQUITY) TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THIS AGREEMENT OR FOR ANY CLAIMS RELATING TO SELLER'S WILLFUL MISCONDUCT OR FRAUD, NOR WAIVE OR AFFECT PURCHASER'S RIGHTS AND SELLER'S OBLIGATIONS UNDER ANY SECTION HEREIN WHICH STATES THAT AN OBLIGATION ON THE PART OF SELLER SURVIVES THE CLOSING OR THAT SELLER SHALL INDEMNIFY AND/OR DEFEND PURCHASER.

BY INITIALING BELOW, THE PARTIES ACKNOWLEDGE AND AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN OR UNKNOWN, IT WOULD BE EXTREMELY DIFFICULT, COSTLY AND IMPRACTICAL TO ESTABLISH DAMAGES FOR EITHER PARTY. ACCORDINGLY, BOTH PURCHASER AND SELLER, BY THEIR RESPECTIVE INITIALS SET FORTH BELOW, DO HEREBY ACKNOWLEDGE AND AGREE THAT TERMS SET FORTH IN THIS SECTION 11.4 ARE NEGOTIATED AND REASONABLE.

Purchaser's Initials 

Seller's Initials DO

11.5 Other Termination Provisions. In the event this Agreement is terminated pursuant to **Sections 11.1.1** (mutual agreement) or **Section 11.1.5** (damage or condemnation), then the Deposit and any accrued interest thereon shall immediately be refunded and returned to Purchaser.

11.6 Post-Termination. Following the conveyance of the amounts due to the appropriate Party under this **Section 11**, neither Party shall have any further rights or obligations hereunder other than those rights and obligations, if any, which specifically survive termination of this Agreement.

12. **Notices.** All notices, demands or other communications given hereunder shall be in writing and shall be given by (a) messenger or overnight express delivery service, (b) certified mail return receipt requested, postage prepaid, at a post office maintained by the United States Postal Service, or (c) by electronic transmission with confirmed receipt, addressed as follows:

If to Seller: HumanGood SoCal  
516 Burchett Street  
Glendale, California 91203  
Attention: Dan Ogus and Bethany Ghassemi  
Email: Dan.Ogus@HumanGood.org;  
[Bethany.Ghassemi@HumanGood.org](mailto:Bethany.Ghassemi@HumanGood.org)

with a copy (which shall not constitute notice) to: Hanson Bridgett LLP  
425 Market Street, 26<sup>th</sup> Floor  
San Francisco, CA 94105  
Attention: Jennifer Berland  
Email: [jberland@hansonbridgett.com](mailto:jberland@hansonbridgett.com)

If to Purchaser: Ararat Home of Los Angeles, Inc.  
15105 Mission Hills Road  
Mission Hills, CA 91345  
Attention: Derik Ghookasian  
Email: [derikg@ararathome.org](mailto:derikg@ararathome.org)

with a copy (which shall not constitute notice) to: Phillips Law Partners, LLP  
707 Wilshire Blvd., Suite 3800  
Attention: George R. Phillips, Jr.  
Email: [gphillipsjr@phillipslawpartners.com](mailto:gphillipsjr@phillipslawpartners.com)

Any notice sent in accordance with the provisions of this **Section 12**, shall be deemed received upon the actual receipt or refusal of receipt thereof regardless of the method of delivery used. Any Party may, by notice given as aforesaid, change the address or addresses, or designate an additional address or additional addresses, for its notices, provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Each Party covenants and agrees that simultaneously with sending any notice pursuant to this **Section 12** it will use reasonable good faith efforts to send a copy of such notice to the addressee thereof by email, at the email address

set forth above or such other email address as a Party may designate in writing given to the other parties pursuant to this **Section 12**; provided that in no event shall any notice sent by email be effective as a notice under this Agreement unless receipt is confirmed, and the failure of any Party to deliver any notice pursuant to email shall not affect the validity of any notice that is sent pursuant to this **Section 12**.

13. **Indemnities.**

13.1 **By Seller to Purchaser.** From and after the Closing Date, Seller shall indemnify, defend and hold Purchaser harmless from and against any and all costs, losses, damages, liabilities, claims and obligations, including, but not limited to, reasonable attorneys' fees (the "**Losses**") arising from or related to: (a) the ownership and operation of the Seller's Assets prior to the Closing Date, including Losses incurred as a result of any liability to any third party related thereto, but not including Losses arising out of the actions of Purchaser, the designee of Purchaser to operate the Facility, or any affiliate of Purchaser; and (b) any material misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement.

13.2 **By Purchaser to Seller.** From and after the Closing Date, Purchaser shall indemnify, defend and hold Seller harmless from and against any and all Losses arising from or related to: (a) the ownership and operation of the Seller's Assets from and after the Closing Date, including Losses incurred as a result of any liability to any third party related thereto, but not including Losses arising out of the actions of Seller or any affiliate of Seller; (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part on the part of Purchaser under this Agreement; and (c) against any and all Losses which Seller may incur as a result of physical damage or injury to any person or property as a result of the acts or omissions of Purchaser or its agents or employees while performing the Due Diligence Investigation with respect to the Seller's Assets.

13.3 **Method of Indemnification.**

13.3.1 In the event that any claim for Losses (a "**Claim**") which is indemnified against by or under any term, provision, section or paragraph of this Agreement is made against or received by any indemnified party (hereinafter "**Indemnitee**") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "**Indemnitor**") in writing of Indemnitee's Claim and shall endeavor to do so reasonably promptly after becoming aware of the same; provided, however, that unless the Indemnitee's failure to timely notify the Indemnitor of Indemnitee's Claim materially prejudices Indemnitor's ability to defend any such Claim as more particularly set forth below, Indemnitee's failure to timely notify Indemnitor of Indemnitee's Claim shall not impair, void, vitiate and/or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect subject to the applicable terms hereof. If the Indemnitee fails to provide timely notice of Indemnitee's Claim, the Indemnitor will not be obligated to indemnify the Indemnitee with respect to such Claim to the extent (and only to the extent) that the Indemnitor's ability to defend such Claim has been materially prejudiced by such failure of the Indemnitee to timely notify Indemnitor of the same.



13.3.2 If the applicable Indemnitee Claim relates to a Claim made by a third party against Indemnitee, then the Indemnitor at its sole cost and expense shall defend, with counsel reasonably satisfactory to the Indemnitee, such Claim by all appropriate proceedings, which proceedings will be diligently prosecuted to a final conclusion or will be settled at the discretion of the Indemnitor (with the consent of the Indemnitee, which shall not be unreasonably withheld and which shall be deemed to be provided if such settlement provides a release to the Indemnitee without the payment of any amount or the taking of any action or admission of liability by the Indemnitee). The Indemnitee will cooperate in such defense at the sole cost and expense of the Indemnitor. Notwithstanding the foregoing, if the named parties to any proceeding include both the Indemnitee and the Indemnitor and, in the reasonable opinion of counsel to the Indemnitee, representation of both parties by the same counsel would be in conflict or otherwise inappropriate due to actual or potential differing interests between them, then the Indemnitee shall be entitled to retain separate counsel for the Indemnitee, at the expense of the Indemnitor (provided that the costs and expenses of such separate counsel are reasonable).

13.4 Survival. All indemnities, warranties and representations of Purchaser and Seller herein shall survive the Closing for a period of twelve (12) months, after which they shall terminate and be of no further force or effect except with respect to claims made within such period, in which case the applicable indemnity, warranty and/or representation shall survive until the full and final resolution thereof. Notwithstanding the foregoing, the indemnity period for Seller's indemnity for any pre-Closing event as provided in **Section 13.1** shall survive through the applicable Statute of Limitations including any applicable tolling period for any third party claim as may apply (the "**Survival Period**"). In addition, Purchaser's indemnity in **Section 13.2** shall survive the termination of this Agreement for the Survival Period.

13.5 Limitations. Except as otherwise specifically set forth in this Section neither Seller nor Purchaser shall have any right to seek indemnity against the other Party pursuant to **Section 13.1** or **Section 13.2** either (A) where the claim is made after the Survival Period or (B) unless the amount of such indemnity claim, individually or when taken together with all other such indemnity claims hereunder, is at least equal to Ten Thousand and No/100 Dollars (\$10,000.00) (the "**Indemnity Floor**"), after which the Indemnitor shall be responsible for any such Indemnitee's Claims on a first dollar basis, or (C) for any such indemnity claims hereunder in an aggregate amount in excess of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) (the "**Indemnity Cap**"). Attorneys' fees arising out of any indemnified third party claim shall be subject to such Indemnity Cap, provided, that any attorneys' fees and costs payable to the prevailing Party arising out of any dispute between Seller and Purchaser hereunder, including, without limitation, to enforce any Indemnitee Claim, shall not be subject to the Indemnity Cap. Notwithstanding anything to the contrary set forth in **Section 13.4** or **Section 13.5**, (i) neither the Indemnity Floor nor the Indemnity Cap shall apply in the case of claims that allege fraud on the part of the Party named therein, or (ii) the prorations and adjustments to be made pursuant to **Section 6** hereof.

#### 14. **Confidentiality and Non-Solicitation**

14.1 Confidentiality. Seller and Purchaser acknowledge that the other party may be irreparably damaged if the confidential knowledge and information possessed or hereafter acquired

by either party relating to the Business (which shall include the terms of this Agreement and other agreements delivered pursuant to this Agreement and all other non-public information regarding either party and/or the Business, including, without limitation, trade secrets or technology/inventions now known or hereafter discovered, and information reflecting or pertaining to research, developments, techniques, purchasing, marketing, business plans and strategies, accounting, licensing, know-how, methods, projects, processes, computer hardware and programs, software libraries, databases, compositions, discoveries, cost systems, personnel data, customer lists, business partner names and lists (including, but not limited to, vendors, suppliers, licensees, licensors, franchisees, referral sources, and consultants), training, the particular needs and requirements of customers and/or business partners, the identity of customers and potential customers, business partners and potential business partners, pending business transactions, pricing for customers or potential customers, pricing of business partners or potential business partners, policies and procedures, equipment and materials used by either party, methods used in the recruiting or placement of personnel by either party and methods and marketing of products or services by either party) were disclosed to or utilized on behalf of others. Accordingly, neither party shall directly or indirectly: (i) disclose to any Person any non-public information concerning the Business or any of the terms of this Agreement or the other agreements delivered pursuant to this Agreement, for any reason or purpose whatsoever; or (ii) make use of any such non-public information for either party's own purpose or for the benefit of any other Person.

14.2 For a period of one (1) year after termination of the Interim Lease, Interim Management Agreement and OTA following issuance of a new license for Purchaser' operation of the SNF, Seller shall not, directly or indirectly:

14.2.1 cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of Purchaser to cease doing business with Purchaser, to deal with any competitor of Purchaser or in any way interfere with its relationship with Purchaser;

14.2.2 cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of Seller on the Closing Date or within the year preceding the Closing Date to cease doing business with Purchaser, to deal with any competitor of Purchaser or in any way interfere with its relationship with Purchaser; or

14.2.3 hire or attempt to hire any employee or independent contractor of Purchaser or in any way interfere with the relationship between Purchaser and any of its employees or independent contractors; provided the parties acknowledge and agree that Seller will retain the employees ("**Retained Employees**") listed on **Schedule 14.2.3** hereto from and after Closing.

14.2.4 The foregoing restrictions on solicitation shall not restrict general advertising or residents or employees initiating contact with Seller or Seller affiliates for purposes of relocating to another senior living facility operated by Seller or affiliates of Seller.

14.3 If, at the time of enforcement of this **Section 14**, a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the parties agree that the maximum period, scope or geographical area reasonable under such circumstances shall be

substituted for the stated period, scope or area so as to protect Purchaser to the greatest extent possible under applicable law from improper competition. The parties hereto acknowledge that money damages would be an inadequate remedy for any breach of this **Section 14** and that Purchaser would be irreparably damaged if any party were to breach the covenants set forth in this **Section 14**. Therefore, in the event of a breach or threatened breach of this **Section 14**, Purchaser, or their respective successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions of this **Section 14** (without posting a bond or other security). If Purchaser prevails in any legal proceedings to enforce this Agreement, then Purchaser is also entitled to recover its costs and fees incurred, including reasonable attorney's fees and out-of-pocket costs.

14.4 Seller acknowledges that the foregoing restrictions are supported by sufficient consideration and other benefits that they have received and will receive hereunder. They also acknowledge that the restrictions protect against unfair competition and that the restrictions do not prevent them from earning a living given their education, skills, and ability. Seller agrees and acknowledge that (i) Purchaser has required that Seller make the covenants set forth in this **Section 14** as a condition to Purchaser's obligations to consummate the transactions contemplated hereby; and (ii) the provisions of this **Section 14** are reasonable and necessary to protect and preserve the Business.

15. **Miscellaneous.**

15.1 **Entire Agreement.** This Agreement, including the Exhibits and Schedules attached hereto, constitute the entire agreement of the Parties with respect to the subject matter hereof and thereof, and supersede all prior discussions, negotiations or writings with respect to such subject matter, including, but not limited to, that certain Letter of Intent executed as of March 29, 2022. This Agreement may not be modified, amended or cancelled except pursuant to the terms hereof or an instrument in writing signed by the Parties. The Schedules and Exhibits annexed hereto are hereby incorporated herein by reference as fully as though set forth herein.

15.2 **Time is of the Essence.** Time is of the essence with respect to all terms, conditions, provisions and covenants of this Agreement.

15.3 **Waiver.** No waiver of any term, provision or condition of this Agreement shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

15.4 **Public Announcements.** Each of the parties to this Agreement agrees not to make any public announcement or disclosure, and to issue no press release, concerning the execution of this Agreement or the transactions contemplated hereby prior to Closing without the prior written approval of the other party, except to the extent necessary to make regulatory filings or as required by law or as may be necessary for such party to reveal to such party's lenders or proposed lenders.

15.5 Attorneys' Fees in the Event of Litigation. Except as provided otherwise in this Agreement, in the event any dispute between the Parties results in litigation, the prevailing Party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees and consultants' fees and reimbursable costs and expenses, whether at trial, upon appeal or otherwise.

15.6 Jurisdiction; Venue. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO THE CONFLICTS OF LAWS RULES OF THE STATE OF CALIFORNIA. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID STATE. EACH OF THE PARTIES HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH PARTIES BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY, AT THE ADDRESS SET FORTH FOR NOTICE IN THIS AGREEMENT. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THIS SECTION.

15.7 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT EITHER OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR THE TRANSACTION SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

15.8 Headings and Business Day. The headings of the various Sections of this Agreement have been inserted only for the purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, qualify or restrict any of the provisions of this Agreement. Any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of the State of California is defined herein as either "Business Day".

15.9 Counterparts. This Agreement may be executed in any number of counterparts and delivered by facsimile or electronic mail with the same effect as if all Parties had executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

15.10 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the

Parties; provided however, that (i) Seller shall not assign this Agreement without the prior written consent of Purchaser, and (ii) Purchaser shall not assign this Agreement without the prior written consent of Seller, other than an assignment to an entity owned or controlled by or under common control with Purchaser. Any assignment not permitted hereunder and undertaken without such prior written consent shall be deemed null and void.

15.11 Further Assurances. Between the Execution Date and the Closing Date, neither Seller nor Purchaser shall take any action which is inconsistent with its obligations under this Agreement. Further, whether prior to or after Closing, Seller and Purchaser shall provide to the other such further assurances as may reasonably be required hereunder to effectuate the purposes of this Agreement and, without limiting the foregoing, shall execute and deliver such affidavits, certificates and other instruments as may be so required hereunder so long as the same shall not materially increase the liability of the Party so executing and delivering said instrument.

15.12 Severability. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.

15.13 Usage. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, "any" shall mean "any and all", "or" shall mean "and/or", and "including" shall mean "including without limitation".

15.14 No Strict Construction. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any of the Parties.

15.15 Confidentiality. Purchaser and its parent, subsidiary and affiliate entities will obtain access to confidential information of Seller that could cause material and irreparable damage to the business prospects of the Seller in the event that such information is disclosed or otherwise used if the Transaction contemplated in this Agreement is not concluded. Purchaser shall maintain the confidentiality of any information concerning the Seller which it obtains during its Due Diligence Review and shall return any Due Diligence Materials to Seller in the event the Transaction fails to close for any reason.

15.16 Calculation of Time Periods. Unless otherwise specified, (a) in computing any period of time described herein, the day of the act or event on which the designated period of time begins to run shall not be included and the last day of the period so computed shall be included and (b) if the last day of any period or any date otherwise specified hereunder is a Saturday, Sunday or legal holiday, the period shall run until, or such date shall be automatically revised to, the next day which is not a Saturday, Sunday or a legal holiday. Further, unless otherwise specified, any reference to a specified number of days shall be deemed to refer to calendar days. This obligation shall survive the Closing or termination of this Agreement.

15.17 Exhibits and Schedules. If any exhibits or schedules are not attached hereto, the Parties agree to attach such exhibits and schedules as soon as reasonably practicable and that it shall be a condition to the non-preparing Party's obligations hereunder that any Exhibits and Schedules attached hereto after the Execution Date shall be subject to the review and approval of the non-preparing Party. The Parties hereto agree that the Party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof (but subject to the following sentence) amend and/or supplement all exhibits and schedules in order for the same to be current, true and correct as of the Closing Date. In furtherance and not in limitation of the foregoing, Purchaser acknowledges and agrees that the pendency of the Transaction provided for in this Agreement may, from time to time, require Seller to amend and/or supplement the exhibits and schedules attached hereto, provided that no such amendment or supplement shall be effective or modify the representations and warranties herein unless approved by Purchaser in its reasonable discretion.

15.18 Third Party Beneficiary. Nothing in this Agreement express or implied is intended to and shall not be construed to confer upon or create in any person (other than the Parties) any rights or remedies under or by reason of this Agreement, including without limitation, any right to enforce this Agreement.

15.19 1031 Exchange. Purchaser and Seller acknowledge that either Party may wish to structure this transaction as a tax deferred exchange of like kind property within the meaning of Section 1031 of the Internal Revenue Code. Each Party agrees to reasonably cooperate with the other Party to effect such an exchange; provided, however, that (a) the cooperating Party shall not be required to acquire or take title to any exchange property, (b) the cooperating Party shall not be required to incur any expense or liability whatsoever in connection with the exchange, including, without limitation, any obligation for the payment of any escrow, title, brokerage or other costs including attorneys' fees incurred with respect to the exchange, (c) no substitution of the effectuating Party shall release said Party from any of its obligations, warranties or representations set forth in this Agreement or from liability for any prior or subsequent default under this Agreement by the effectuating Party, its successors, or assigns, which obligations shall continue as the obligations of a principal and not of a surety or guarantor, (d) the effectuating Party shall give the cooperating Party at least ten (10) Business Days prior notice of the proposed changes required to effect such exchange and the identity of any Party to be substituted in the escrow, (e) the effectuating Party shall be responsible for preparing all additional agreements, documents and escrow instructions (collectively, the "**Exchange Documents**") required by the exchange, at its sole cost and expense, (f) the effectuating Party shall be responsible for making all determinations as to the legal sufficiency, tax considerations and other considerations relating to the proposed exchange, the Exchange Documents and the transactions contemplated thereby, and the cooperating Party shall in no event be responsible for, or in any way be deemed to warrant or represent any tax or other consequences of the exchange transaction, and (g) the election to effect such an exchange shall not delay the Closing of the transaction as defined herein.

15.20 Exclusivity. Unless this Agreement shall be terminated by Seller or Purchaser as provided herein, neither Seller nor any member, manager, officer, director, employee, authorized representative or agent of Seller shall, directly or indirectly, solicit, seek, enter into, conduct or


participate in any discussions or negotiations, or enter into any agreement with any person or entity, regarding the sale, lease or other transfer of all or any portion of the Seller's Assets.

15.21 Brokerage Commissions. Each of the Parties hereby represents, covenants, and warrants to the other that neither has employed any broker or finder in connection with the Transaction. Each Party agrees to indemnify and hold harmless the other from and against all liability, claims, demands, damages or costs of any kind, including attorneys' fees, arising from or connected with any broker's commission or finder's fee or commission or charge claimed to be due any other person arising from the Party's conduct with respect to the Transaction. This **Section 15.21** shall survive Closing.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed as of the Execution Date.

**SELLER:**

HUMANGOOD SOCAL,  
a California non-profit public benefit corporation

By:  \_\_\_\_\_  
Name: Dan Ogus  
Its: Chief Operating Officer

**PURCHASER:**

ARARAT HOME OF LOS ANGELES, INC.,  
a California non-profit public benefit corporation

By:  \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Board Chair

**SCHEDULE 1**

**LEGAL DESCRIPTION**

**[To be attached from the title report]**



**SCHEDULE 1.1.12**

**VEHICLES**

1. 22072 2FMGK5C89FBA22072 2015 FORD FLEX  
Active 34537Y1 03/31/2023
  
2. 58652 1FDXE45S68DB58652 2008 FORD E-450 SUPER DUTY  
Active 8S93324 10/31/2022

**SCHEDULE 1.2.8**

**EXCLUDED PERSONAL PROPERTY**

None.

**SCHEDULE 2.2**

**PURCHASE PRICE ALLOCATION**

<b>ASSETS ACQUIRED</b>	<b>PURCHASE PRICE ALLOCATION</b>
LAND & BUILDINGS	\$14,870,000
FURNITURE FIXTURES & EQUIPMENT	740,000
OTHER ASSETS	123,000
<b>TOTAL ASSETS ACQUIRED</b>	<b>\$15,733,000</b>
<b>LIABILITIES ASSUMED</b>	
RESIDENT CONTRACTS	\$1,650,000
<b>NET ASSETS ACQUIRED</b>	<b>\$14,083,000</b>
<b>PURCHASE PRICE</b>	<b>\$14,500,000</b>
<b>EXCESS OF PURCHASE PRICE OVER NET ASSETS ACQUIRED (GOODWILL)</b>	<b>\$417,000</b>

**SCHEDULE 7.3**

**LITIGATION**

Active PAGA/Class Action Wage and Hour claims:

1. Laveda Scott v. HumanGood NorCal, HumanGood SoCal, HumanGood Fresno
2. Cooper-Iglesias v. HumanGood NorCal, HumanGood SoCal, HumanGood Fresno

Active Workers' Compensation claims:

File Num	Clmt Name (Last_First)	Date of Loss	Claim Sub Type	Clm Substat Desc	Litiga tion	Resol ved	Defending Atty Firm	Defending Attorney Name
30205511892-0001	Akinbayode, Funmilayo	06-20-2020		Accepted	Yes	N	The Law Office of Eric H. Jacob	Eric Jacobs Esq
C052905021-0001-01	Akinbayode, Funmilayo	09-24-2020	CC	Denied	Yes	N	The Law Office of Eric H. Jacob	Eric Jacobs Esq
402012463A5-0001	Diaz, Marta A	12-09-2020		Accepted	No			
30205391354-0001	Garcia, Martha	06-08-2020		Accepted	No			
30192541669-0001	Hernandez Santiago, Olivia	05-01-2019	FM	Accepted	No	N		
C152901576-0001-01	Hernandez, Claudia I	04-05-2021		Denied	Yes	N	The Law Office of Eric H. Jacob	Eric Jacobs
4A210730737-0001	Hernandez, Matias P	07-16-2021		Accepted	No			
301500601100069	Reyes, Salvador	10-11-2011	FM	Accepted	Yes	Y	The Law Offices of Stoodly & M	Nancy Kerr

**SCHEDULE 7.21.1**

**EMPLOYEE BENEFIT PLANS**

# 2022 BENEFITS GUIDE

CA and WA Team Members

January 1 to  
December 31, 2022

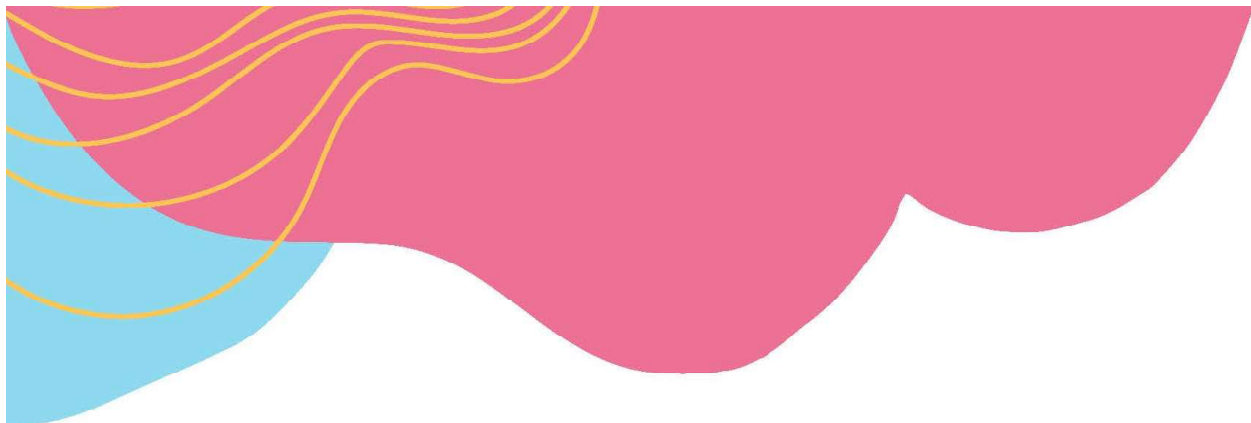


human good

My date of hire or eligible status change: \_\_\_\_\_

My last day to enroll for benefits and  
provide supporting documentation: \_\_\_\_\_

Date my benefits coverage begins: \_\_\_\_\_

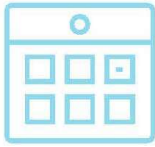


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### Your benefits enrollment resources:

- Read this guide for a benefits overview and helpful tips.
- Call Health Advocate at 866.799.2728 for additional support and to estimate medical and prescription costs.
- There are 3 ways to enroll in benefits:
  1. Enroll online through [www.myhumangood.org](http://www.myhumangood.org) and click on the UKG link. Then choose Life Events under the Myself menu.
  2. Schedule a dedicated enrollment appointment for a time convenient for you. (Reference QR code at the back of this guide.) You can also navigate to this link: [https://book.appointment-plus.com/d4p02rz0/?employee\\_id=8367#/](https://book.appointment-plus.com/d4p02rz0/?employee_id=8367#/).
  3. Enroll by phone with a benefits counselor at 866.486.1417.
- Benefits Counselors are available by phone Monday through Friday, 11 a.m. to 8 p.m. Eastern Time and 8 a.m. to 5 p.m. Pacific Time. To schedule an appointment with a call center benefits counselor, call 866.486.1417.



## Welcome to HumanGood, where your health matters!

We offer a full package of benefits, and benefits choices — along with resources and tools to help you use them wisely. Take advantage of the resources and tools so you can make the best benefits and wellness decisions for you and your family.

### Learn about your benefits

Start by going to the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.

### Get advice and ask questions

We want to help take the guesswork out of choosing and using your benefits.

- Call a Benefits Counselor at 866.486.1417. They can answer your questions or even assist with enrolling for your benefits.
  - Benefits Counselors are available Monday through Friday, 11 a.m. to 8 p.m. Eastern Time and 8 a.m. to 5 p.m. Pacific Time. Representatives are also available to assist with other language needs.
- Call Health Advocate at 866.799.2728. They can help you estimate your medical and prescription costs under each medical plan for the coming year and explain Medicare.
- Call Anthem at 833.954.1076. If you have specific questions about what type of medical benefits are covered, contact an Anthem customer service representative.
- Contact your local HR Representative. They can answer questions, facilitate calls and point you in the right direction about other resources.

### Enroll for your benefits

There are 3 ways to enroll in benefits:

1. Enroll online through [www.myhumangood.org](http://www.myhumangood.org) and click on the UKG link. Then choose Life Events under the Myself menu.
2. Schedule a dedicated enrollment appointment for a time convenient for you. (Reference QR code at the back of this guide.) You can also navigate to this link: [https://book.appointment-plus.com/d4p02rz0/?employee\\_id=8367#/](https://book.appointment-plus.com/d4p02rz0/?employee_id=8367#/).
3. Enroll by phone with a benefits counselor at 866.486.1417.

The site will walk you through your options, help you compare plans, and show your cost for each plan.





## Eligibility

Here's how eligibility and enrollment works:

- **Who's eligible:** Regular full-time team members who work at least 30 hours per week.
- **When benefits begin:** The first day of the month following the completion of 60 days of employment. If your 60th day of employment lands on the first of the month, your coverage will begin on your 60th day.
- **What you need to do:** You must take action to enroll in coverage and submit the appropriate supporting documentation within the 45-day enrollment window starting on your date of hire or status change date.

Eligibility requirements for the 401(k) retirement plan differ; see the "401(k) Retirement Plan" on page 29 for details.

Eligible dependents for medical, dental, and vision coverage include:

- Your spouse or domestic partner.
- Your dependent child up to age 26 (regardless of marital or student status).
- Your dependent child who is incapable of self support due to a mental or physical disability.

### WANT TO COVER A DOMESTIC PARTNER?

If you cover a domestic partner and they qualify as a "tax dependent" under IRS rules, you need to complete the Domestic Partner Civil Union Tax Status Form. Otherwise, your domestic partner's coverage will be subject to additional taxes, called imputed income. This means you may have to pay state and federal taxes, including Social Security and Medicare (FICA) taxes on the cost of your domestic partner's coverage. Request, complete, and return the form to your local HR Representative. If this form is not completed, you will be taxed.

## Dependent documentation required

You're required to provide appropriate supporting documentation to your local HR representative for each eligible dependent under your medical, dental, and/or vision coverage. If documentation is not provided, your dependent(s) will not be covered. If you're not sure what qualifies as documentation, refer to the table below.

To cover your:	You need to submit to your local Human Resources Representative:
Spouse	Marriage license or certificate
Domestic partner	Domestic Partner Affidavit; go to the Benefits Document Library on <a href="http://www.myhumangood.org">www.myhumangood.org</a> , under the My Worklife section then Benefits.
Child under age 26	<ul style="list-style-type: none"> <li>■ For your own children, one of the following: Birth certificate, hospital letter, midwife letter, legal custody papers, or adoption papers</li> <li>■ For a child of your spouse (such as through marriage): One of the child documents noted above AND your marriage license AND documentation of responsibility (for example, tax forms)</li> <li>■ For a child through legal guardianship: Child's birth certificate AND guardianship papers</li> </ul>

**Your dependent(s) will not be covered if appropriate documentation is submitted to your local HR representative within 45 days from start date.**

## Adding new dependents

When you add a new family member, the family member won't be added to your benefits automatically. On the Verify Beneficiary and Dependent Screen, please verify and/or correct all dependent and beneficiary information for each qualified dependent you will be enrolling and each beneficiary you will designate.

To add new, click the Add button. You must click on the box beside Dependent to qualify them as a dependent for coverage before the system will allow you to enroll them in a specific benefit plan. You must click on the box beside Beneficiary to designate the individual as a beneficiary to your life plans.

Please be sure and include full legal names, Social Security numbers, genders, relationships, and dates of birth for dependents that will be covered under our health plans.

Submit the appropriate dependent documentation (birth certificate, marriage license, etc.) to your local HR representative.

**Note:** If you add a dependent and do not follow the instructions listed above, your dependent will NOT be covered.



## Qualifying life events

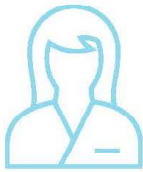
In general, the coverage you elect is effective until the next scheduled annual Benefits Open Enrollment (normally in November — changes are effective the following January 1). However, you can cancel or make changes to your benefits if you have a qualifying life event, as defined by the IRS. You can enroll or make changes to your HSA and commuter benefits any time during the year. If you have a qualifying life event, as defined by the IRS, you can enroll or make changes to your health care insurance (medical, dental, vision) outside the annual Benefits Open Enrollment period.

You have a **31-day window**, starting on the day of a qualifying life event, to submit your life event and provide the appropriate supporting documentation to your local HR representative. Qualifying life events include:

- Marriage or divorce;
- Birth, adoption, or custody change of an eligible dependent;
- Death of a dependent;
- Change in your spouse's or domestic partner's employment or insurance status;
- Unpaid leave of absence by you, your spouse, or your domestic partner;
- Moving into or out of your medical plan's service area;
- A change in employment status (either yours, your spouse's, or your domestic partner's) from non-benefited to benefited, or benefited to non-benefited;
- A cost increase for medical, dental, and/or vision coverage for you, your spouse, or your domestic partner due to your spouse's or domestic partner's employment;
- A cost increase or reduction for your HumanGood health care benefits; and
- Gaining or losing other health care coverage.

You can learn more about which situations allow you to change your benefits by visiting the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits or calling a Benefits Counselor at 866.486.1417, Monday through Friday, 8 a.m. to 5 p.m. Pacific Time/11 a.m. to 8 p.m. Eastern Time. (Navigate to page 3 and follow the steps to enroll to submit your life event.)





## Medical plan

You have three medical plan options through Anthem and one medical plan option through Kaiser. All three Anthem plans are PPO plans, which means you can use any doctor, but you receive the highest level of coverage when you stay inside the network. All three Anthem plans use the same Anthem network of doctors and hospitals. Beyond that, they each work differently.

In addition to the three Anthem plans, HumanGood provides employees with a fourth medical plan option through Kaiser. The Kaiser HMO plan offers a different network from the Anthem plans with access to the HSA. The Kaiser plan design is similar to the Anthem \$2,800 deductible plan. You can find complete detail about coverage in the Kaiser summary. This section will help you find the plan that fits your needs for coverage and cost.

Here are some key features that make each of the plans unique:

Plan name	Key feature
Anthem \$1,000 Deductible Plan	Copay plan
Anthem \$2,800 Deductible Plan	Anthem HSA plan
Anthem \$6,550 Deductible Plan	Free team member-only coverage (no paycheck deductions)
Kaiser \$2,800 Deductible Plan	Kaiser HSA plan

### KEY WORDS

**COPAY:** A flat dollar amount that you pay for a covered service each time you use that service. It does not apply toward the deductible.

**COINSURANCE:** The percentage of the charge for medical care that you pay.

**DEDUCTIBLE:** The amount you pay each calendar year before the plan begins to pay.

**OUT-OF-POCKET MAXIMUM:** The maximum amount you pay for covered services in a calendar year.

### PRESCRIPTIONS:

Tier 1 generic medications are similar to more costly alternatives, and are not sold using a brand name.

Tier 2 medications are generally brand medications that are available at a lower cost to you than Tier 3 brand medications.

Tier 3 medications are generally brand medications with the highest cost to you.





## Medical insurance options

This table provides a summary of in-network benefits; you'll find complete details about coverage and cost at [www.myhumangood.org](http://www.myhumangood.org), click on the UKG link, then choose Life Events under the Myself menu.

Plan	Anthem \$1,000 deductible	Anthem \$2,800 deductible	Anthem \$6,550 deductible	Kaiser \$2,800 deductible
HSA eligible	No	Yes (only if not enrolled in Medicare or TRICARE) <sup>1</sup> HumanGood contributes: <ul style="list-style-type: none"> <li>■ Individual — \$325/quarter (\$1,300/year)</li> <li>■ Family — \$650/quarter (\$2,600/year)</li> </ul>	No	Yes (only if not enrolled in Medicare or TRICARE) <sup>1</sup> HumanGood contributes: <ul style="list-style-type: none"> <li>■ Individual — \$325/quarter (\$1,300/year)</li> <li>■ Family — \$650/quarter (\$2,600/year)</li> </ul>
Annual deductible	\$1,000/\$2,000	\$2,800/\$5,600	\$6,550/\$13,100	\$2,800/\$5,600
Annual out-of-pocket max	\$3,500/\$7,000	\$5,600/\$11,200	\$6,550/\$13,100	\$5,000/\$10,000
Preventive care visit	Covered in full	Covered in full	Covered in full	Covered in full
In-Network cost share	<b>You pay:</b>	<b>You pay:</b>	<b>You pay:</b>	<b>You pay:</b>
Coinurance	20% after ded.	30% after ded.	Covered in full after ded.	30% after ded.
Office visit (primary care/specialist)	\$25/\$50 copay	30% after ded.	Covered in full after ded.	30% after ded.
Emergency room	\$300 copay, then 20% after ded.	30% after ded.	Covered in full after ded.	30% after ded.
Urgent care	\$50 copay	30% after ded.	Covered in full after ded.	30% after ded.
X-ray	20% after ded.	30% after ded.	Covered in full after ded.	30% after ded.
Lab	20% after ded.	30% after ded.	Covered in full after ded.	30% after ded.
Retail prescriptions <sup>2</sup>	<b>You pay:</b>	<b>You pay:</b>	<b>You pay:</b>	<b>You pay:</b>
Tier 1	\$10 copay	30% after ded.	30% (max. \$20)	\$15 copay after ded.
Tier 2	\$40 copay	up to \$250	30% (max. \$60)	\$35 copay after ded.
Tier 3	\$70 copay	(except for Preventive Rx medications, 30% no ded., max. \$250)	30% (max. \$100)	30% after ded. up to \$250 max
Mail order prescriptions <sup>2</sup>	<b>You pay:</b>	<b>You pay:</b>	<b>You pay:</b>	<b>You pay:</b>
Tier 1	\$25 copay	30% after ded.	30% (max. \$50)	\$30 copay after ded.
Tier 2	\$100 copay	up to \$750	30% (max. \$150)	\$70 copay after ded.
Tier 3	\$175 copay	(except for Preventive Rx medications, 30% no deductible, max. \$750)	30% (max. \$250)	30% after ded. up to \$250 max

If you enroll in one of the Anthem medical plans, you will also have access to the following:

- 24/7 NurseLine: You can connect with a registered nurse who'll answer your health questions. They can help you decide where to go for care and find providers in your area. All you have to do is call 1-800-700-9184.
- LiveHealth Online: You can have a video visit with a doctor using your smartphone, tablet or computer with a webcam. Doctors are available 24/7 for advice, treatment and prescriptions if needed. The cost is usually \$59 or less. Register at [www.livehealthonline.com](http://www.livehealthonline.com).
- Sydney text a doc: Allows you to connect to a doctor online or through your mobile device. Features a chat features with a doctor to ask questions and seek guidance for \$19.

Please see your Anthem E-Kit for full details!

<sup>1</sup>Federal rules allow HumanGood to offer an HSA only to team members who are not enrolled in Medicare or TRICARE. Once you enroll in Medicare or TRICARE, you'll have access to your HSA balance, but you and HumanGood will no longer be allowed to make additional contributions.

<sup>2</sup>The Mandatory Generic Program applies to all of the medical plans. If you choose to buy a brand-name (Tier 2 or Tier 3) prescription medication when a generic (Tier 1) version is available, you'll pay the cost of the brand-name medication plus the difference in cost between the generic and brand-name prescription. However, if the prescribing physician indicates "Dispense as Written" or "DAW" on the prescription, you will not be responsible for the cost difference. Keep in mind, any cost difference that you pay will not be applied to the annual out-of-pocket maximum.

### ANTHEM AND KAISER MEDICAL ID CARDS

After you enroll in an Anthem or Kaiser medical plan, new medical ID cards will be mailed to your address of record.

## How prescription medications work

If you frequently use prescription medications, that may be a factor in deciding which medical plan is right for you. Below are some important considerations that you need to know about.

When purchasing prescription medications...

**Under the Anthem \$1,000 Deductible Plan:** You pay a copay, with no annual deductible.

**Under the Anthem \$2,800 Deductible Plan:** You pay out of pocket until you meet the annual deductible (unless it's a PreventiveRx medication) — and after that you pay coinsurance (30% of the medication cost). There's also a cap on the coinsurance amount you pay, which varies based on whether it's a generic or brand-name medication.

**Under the Anthem \$6,550 Deductible Plan:** You pay coinsurance (30% of the medication cost), with no annual deductible. There's also a cap on the coinsurance amount you pay, which varies based on whether it's a generic or brand name medication.

**Under the Kaiser \$2,800 Deductible Plan:** You pay out of pocket until you meet the annual deductible (unless it's a PreventiveRx medication) — and after that you will either pay a copay (tier 1 and tier 2) or coinsurance (30% of the medication cost to a \$250 max).

### IN-NETWORK VS. OUT-OF-NETWORK

All Anthem plans allow you to see any provider of your choice; however, you'll typically save money with in-network care. The Kaiser \$2,800 deductible plan offers in-network coverage only. Visit [www.anthem.com/ca](http://www.anthem.com/ca) or [www.kp.org/newmember](http://www.kp.org/newmember) to search for in-network providers.

## Find a medical provider

Go to [www.anthem.com/ca/find-care](http://www.anthem.com/ca/find-care) or [www.kp.org/newmember](http://www.kp.org/newmember)

### Anthem

- You can look for a doctor by using either:
  - Search as a member: Log in with a username and password or with the member number on your ID card.
  - Search as guest: Select a plan or network, \* or search by all plans and networks. The network HumanGood utilizes is the National PPO (BlueCard PPO).
- Once you log in, select the Find Care option on the welcome menu.
- Next, choose who you would like to see. You can search for a doctor nearby or use the doctor's name.
- Select a provider to see more details, such as:
  - Specialties
  - Gender
  - Languages spoken
  - Training
  - A map of their office location
  - Phone number

### Kaiser

- Go to [www.kp.org/ca](http://www.kp.org/ca) or [www.kp.org/wa](http://www.kp.org/wa).
- On the top tab, select "Find a Doctor."
- Select "Sign in and Search" if you are already a member or Select one of the choices below "Welcome, visitor."
- Create your online account:
  - You can create your account through the Kaiser Permanente app or at [www.kp.org/newmember](http://www.kp.org/newmember).

### NEED HEALTH CARE ADVICE?

Call Health Advocate anytime during the year at 866.799.2728 to:

- Find qualified providers
- Estimate costs
- Schedule appointments
- Resolve medical and prescription claims or billing issues.

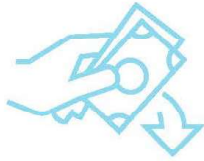
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## Which medical plan is right for you?

Use this chart to help you compare and contrast some key features of each medical plan.

Do you . . .	Then consider . . .				Why?
	Anthem \$1,000 deductible	Anthem \$2,800 deductible	Anthem \$6,550 deductible	Kaiser \$2,800 deductible	
Want preventive care benefits covered at 100% with no deductible?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	All four plans pay 100% for in-network preventive care with no deductible.
Want a plan with the lowest cost for office visits?	<input checked="" type="checkbox"/>				For PCP and specialist visits, the Anthem \$1,000 Deductible Plan is the only plan where you pay a copay, with no annual deductible.
Want prescriptions that aren't subject to the deductible?	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<ul style="list-style-type: none"> <li>Under the Anthem \$1,000 Deductible Plan, you pay a copay with no annual deductible.</li> <li>Under the Anthem \$6,550 Deductible Plan, you pay coinsurance with no annual deductible.</li> </ul>
Want a plan where you pay copays for prescription medications?	<input checked="" type="checkbox"/>				The Anthem \$1,000 Deductible Plan is the only plan where you pay a copay for pharmacy and mail order prescriptions. For your other plan options, you pay coinsurance.
Want team member-only coverage with no paycheck deductions?			<input checked="" type="checkbox"/>		The Anthem \$6,550 Deductible Plan is provided at no cost for team member-only coverage if certain wellness activities are completed.
Want a plan with the lowest deductible?	<input checked="" type="checkbox"/>				The Anthem \$1,000 Deductible Plan has the lowest deductible and higher per-paycheck costs compared to your other plan options.
Want a pre-tax savings account?	<input checked="" type="checkbox"/> FSA	<input checked="" type="checkbox"/> HSA  Limited Purpose FSA	<input checked="" type="checkbox"/> FSA	<input checked="" type="checkbox"/> HSA  Limited Purpose FSA	There is a pre-tax savings account option no matter which plan you sign up for.
Want the HSA with HumanGood contribution?		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	HumanGood contributes to your HSA in the Anthem \$2,800 or Kaiser \$2,800 Deductible Plan, making it easier for you to pay for services before you meet the deductible (or you can save your HSA money for later).
Want flexibility to see any provider?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		All three Anthem plans let you choose between in-network and out-of-network providers, however, your out-of-pocket costs are generally lower when you stay inside the network. The Kaiser plan offers in-network services only.



## Tax-advantaged accounts: HSA and FSA

You can save money on your health care and dependent care costs through tax-advantaged accounts, administered through Optum Financial, that allow you to use pre-tax dollars to pay for eligible expenses. For additional details about the following accounts, visit the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.

### Health savings account

Plan features	How it works
Who's eligible	<ul style="list-style-type: none"> <li>Available only to participants in the Anthem \$2,800 or Kaiser \$2,800 Deductible Plan.</li> <li>An HSA is not allowed if you're enrolled in Medicare or TRICARE. Once you enroll in Medicare or TRICARE, you'll have access to your existing HSA balance; however, you and HumanGood will no longer be allowed to make additional contributions.</li> </ul>
Eligible expenses	The HSA works like a bank account that you manage to pay for your health care expenses not covered by your plans including medical, prescription, dental, and vision copays, deductibles, and coinsurance.
HumanGood contributions	HumanGood contributions for 2022: <ul style="list-style-type: none"> <li>For individual coverage: \$325/quarter (\$1,300/year)</li> <li>For family coverage: \$650/quarter (\$2,600/year)</li> <li>HumanGood contributes three months worth of the total annual contribution to your HSA at the beginning of every quarter.</li> <li>Your annual amount will be pro-rated based on the month in which you're hired (or the month in which your status change date occurs) and in which you open an HSA.</li> </ul>
Your optional contributions	You have the option to make pre-tax contributions of your own for 2022, up to: <ul style="list-style-type: none"> <li>For individual coverage: \$2,350</li> <li>For family coverage: \$4,700</li> </ul> If you're age 55 or older, or will turn 55 in 2022, you can contribute up to an additional \$1,000 to your HSA in 2022 as a "catch-up" contribution.
When funds are available	Once funds are deposited into your account, they are yours to use.
How to pay expenses	You can use a debit card to pay for eligible expenses or reimburse yourself for payments you've made (only money you've already contributed can be spent). Debit cards are issued when you first enroll in an HSA and are valid for three years. Replacement cards are sent by Optum Financial in advance of the expiration date.
Making changes	You can change your contribution amount or stop contributing at any time.
No use it or lose it rule	Unused money can be carried over each year and invested for the future — you can even take it with you if you leave HumanGood.
Choosing your beneficiary	It's important to choose who you want to receive your HSA benefit in the event of your death. Go to the Optum Financial website to designate to select your HSA beneficiary.

### DON'T FORGET TO OPEN YOUR HSA!

In order to receive HumanGood's contribution, you'll need to enroll in the HSA through UKG and register your account through Optum Financial. The HSA must meet the requirements of the U.S. Patriot Act (name, Social Security number, date of birth, and address — a P.O. Box will not be accepted). Check with your tax advisor regarding the withdrawal of HSA funds.

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## Health care flexible spending account (FSA)

Plan features	How it works
Who's eligible	Available only if don't have a health savings account (HSA)
Annual contribution maximum	You can contribute up to \$2,750 in pre-tax money.
Eligible expenses	Use this FSA for medical, prescription, dental, and vision expenses not covered by your plans, including copays, deductibles, and coinsurance. Note: You can use these accounts to purchase over-the-counter (OTC) drugs and medicines, without a prescription, as well as menstrual care products.
When funds are available	Your entire annual contribution is available to you from the beginning of the plan year.
How to pay for expenses	You can use your Optum Financial debit card to pay for eligible expenses or reimburse yourself for payments you've made up front. Debit cards are issued when you first enroll in an HSA and are valid for three years. Replacement cards are sent by Optum Financial in advance of the expiration date.
Use it or lose it	Unused money does not carry over to the next year and will be forfeited.
Making changes	You choose your contribution amount for the year during annual Benefits Open Enrollment. You may only make a change during the year if your personal situation changes, such as getting married or having a baby.  <small>Note: If you start the plan year with an FSA and experience a qualifying life event and you elect the Anthem \$2,800 or Kaiser \$2,800 Deductible Plan, you will not be eligible to participate in the HSA and must continue with the FSA.</small>

## Limited purpose flexible spending account (FSA)

Plan features	How it works
Who's eligible	Available only if you have a health savings account (HSA).
Annual contribution maximum	You can contribute up to \$2,750 in pre-tax money.
Eligible expenses	This FSA pairs with your HSA. Use this limited purpose FSA only for dental and vision expenses not covered by your plans, including copays, deductibles, and coinsurance.
When funds are available	Your entire annual contribution is available to you at the beginning of the plan year.
How to pay for expenses	You can use your Optum Financial debit card to pay for eligible expenses or reimburse yourself for payments you've made up front. Debit cards are issued when you first enroll in an FSA and are valid for three years. Replacement cards are sent by Optum Financial in advance of the expiration date.
Use it or lose it	Unused money does not carry over to the next year and will be forfeited.
Making changes	You choose your contribution amount for the year during annual Benefits Open Enrollment. You may only make a change during the year if your personal situation changes, such as getting married or having a baby.

## Dependent care FSA

Most people are in favor of having a larger paycheck, right? If you routinely pay for child care expenses, you can make that a reality if you use the dependent care FSA.

Did you know?

1. You could be paying up to \$5,000 for your child's day care completely tax free. Child care can add up to a lot of money throughout the year. But you'll avoid taxes on those costs if you pay for them using a dependent care FSA.
2. Think day care when using this FSA — not medical. This account is specifically for child day care expenses (or care for a disabled or elderly dependent). However, it's not for medical expenses — you can use a health care FSA for that.
3. Your child must be under age 13. Be sure to only estimate day care expenses for children through age 12. Once they turn 13, you can't use this account for them.
4. You have to plan ahead for reimbursements. Using this FSA takes a little planning, since you must first pay your day care provider up-front, and then submit a claim to be reimbursed. But once you get the hang of it, you'll be saving money all year long!

Below is a summary of how the dependent care FSA works.

Plan features	How it works
Annual contribution maximum	You can contribute up to \$5,000 in pre-tax money.
Eligible expenses	Use this FSA for qualified dependent care expenses, including child care for children up to age 13 and care for disabled or elderly dependents.
When funds are available	When you make a claim, you'll receive a reimbursement from the money you have in your account at that time. For instance, if you have \$300 in eligible expenses, but only have \$200 in your account, you can only be reimbursed for \$200. You'll receive the remainder of the reimbursement for your eligible expenses once you contribute additional funds to your account.
How to pay for expenses	You pay for eligible expenses up front. Then, you submit a reimbursement claim and attach any bills or receipts for reimbursement.
Use it or lose it	Unused money does not carry over to the next year and will be forfeited.
Making changes	You choose your contribution amount for the year during annual Benefits Open Enrollment. You may only make a change during the year if your personal situation changes, such as getting married or having a baby.

### IRS NONDISCRIMINATION RULES

The HumanGood FSA plans are subject to IRS nondiscrimination rules, which exist to prevent plans from being designed in such a way that they discriminate in favor of "highly compensated employees." If the HumanGood FSA plans should fail to pass the required IRS nondiscrimination testing, team members defined as highly compensated employees according to the IRS definitions may lose the tax benefits of participating in the plan (that is, they must include the benefits or compensation in their income). You'll be notified if this applies to you.



### Take a look: HSA vs. FSAs

See how these accounts compare:

	Health savings account (HSA)	Health care FSA	Limited purpose FSA	Dependent care FSA
Available if you enroll in this medical plan...	<ul style="list-style-type: none"> <li>Anthem \$2,800 deductible plan</li> <li>Kaiser \$2,800 deductible plan</li> </ul>	<ul style="list-style-type: none"> <li>Anthem \$1,000 deductible plan</li> <li>Anthem \$6,550 deductible plan</li> </ul>	<ul style="list-style-type: none"> <li>Anthem \$2,800 deductible plan</li> <li>Kaiser \$2,800 deductible plan</li> </ul>	Any medical plan
2022 contributions	HumanGood contributes: <ul style="list-style-type: none"> <li>Individual: \$325/quarter (\$1,300/year)</li> <li>Family: \$650/quarter (\$2,600/year)</li> </ul> You can also contribute up to: <ul style="list-style-type: none"> <li>Individual: \$2,350</li> <li>Family: \$4,700</li> </ul>	You can contribute up to \$2,750	You can contribute up to \$2,750	You can contribute up to \$5,000 (per individual or married couple)
How to use your balance	Eligible out-of-pocket medical, prescription, dental, and vision expenses	Eligible out-of-pocket medical, prescription, dental, and vision expenses	Eligible out-of-pocket dental and vision expense.	Eligible out-of-pocket dependent care expenses
"Use it or lose it?"	No. It's yours to keep. The money in your account at year-end carries over to the next year.	Yes. Unused money does not carry over to the next year and will be forfeited.	Yes. Unused money does not carry over to the next year and will be forfeited.	Yes. Unused money does not carry over to the next year and will be forfeited.



## Supplemental medical insurance

Supplemental medical insurance through Aetna can help protect you from significant or unexpected out-of-pocket expenses. Keep in mind that these plans are intended to supplement a medical plan.

Consider your anticipated medical needs along with the cost of the insurance plans available to you. Adding a supplemental plan to a lower-cost medical plan may help you save money while providing important coverage.

The following three supplemental medical plans are available to you with no pre-existing condition limitations. Complete details about coverage and cost can be found by visiting the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.

### Accident

Accident insurance supplements your medical plan by providing cash benefits in cases of accidental injuries. You can use this money to help pay for uncovered medical expenses, such as your deductible or coinsurance, or for ongoing living expenses such as your mortgage or rent.

### Critical illness

Critical illness insurance helps protect against the financial impact of certain illnesses, such as heart attack, cancer, Alzheimer's disease, and more. You receive a lump-sum payment to use as you choose.

The critical illness insurance also includes a health screening benefit. This pays a lump sum of \$50 if you or any dependent receive any of the approved health screening tests. A charge must be incurred and there is a maximum of one screening per plan year.

### Hospital indemnity

Hospital indemnity insurance provides supplemental payments that you can use to cover expenses that your medical plan doesn't cover for hospital stays, ambulance service, surgery, and certain inpatient or outpatient treatments. When you're eligible for a benefit under this plan, you receive a lump-sum payment to use as you choose.





## Dental insurance

The following dental plans are available to you through United Concordia. This table provides a summary of in-network benefits; you'll find complete details about coverage and cost at [www.unitedconcordia.com](http://www.unitedconcordia.com) or by visiting the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.

Plans	United Concordia Standard Plan	United Concordia Enhanced Plan
Annual maximum benefit (in-network and out-of-network)	\$1,500	\$2,000
<b>In-network</b>		
Individual/family deductible (waived for preventive services)	\$50/\$150	\$50/\$150
Preventive services	You pay 0%	You pay 0%
Basic services	You pay 20%	You pay 20%
Major services	You pay 50%	You pay 50%
Orthodontia services (for children up to age 19; not subject to the deductible)	Not covered	You pay 50%
Orthodontia maximum lifetime (in-network and out-of-network)	Not covered	\$2,500

### KEY WORDS

**DEDUCTIBLE:** The amount you pay before the plan begins to pay.

**PREVENTIVE SERVICES:** Services designed to prevent or diagnose dental conditions that include oral evaluations, routine cleanings, X-rays, and fluoride treatments.

**BASIC SERVICES:** Services that include basic restorations, some oral surgery, endodontics, periodontics, and sealants.

**MAJOR SERVICES:** Services that include crowns, dentures, implants, and some oral surgery.

**ORTHODONTIA:** Services that include straightening or moving misaligned teeth and/or jaws with braces and/or surgery.



## Vision insurance

The following vision plans are available to you through Vision Service Plan (VSP). This table provides a summary of in-network benefits; you'll find complete details about coverage and cost including possible discounts on costs that exceed the retail allowance at [www.vsp.com](http://www.vsp.com) or by visiting the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.

Plans	VSP Standard Plan		VSP Enhanced Plan	
	Copay	Frequency	Copay	Frequency
WellVision exam	\$10	1 per 12 months	\$10	1 per 12 months
Lenses	\$25	1 per 12 months	\$10	1 per 12 months
Contact lens exam	Up to \$60	1 per 12 months	Up to \$60	1 per 12 months
	Retail allowance	Frequency	Retail allowance	Frequency
Frames	\$130 (plus additional \$50 for VSP featured frame brands)	1 per 24 months	\$175 (plus additional \$50 for VSP featured frame brands)	1 per 12 months
Contact lenses (in lieu of frames and lenses)	\$130	1 per 12 months	\$175	1 per 12 months



### KEY WORDS

**COPAY:** An amount you pay for a covered service each time you use that service.

**RETAIL ALLOWANCE:** Maximum allowance paid toward the cost of vision materials. Amounts in excess of the retail allowance are your financial responsibility.



## Life and AD&D insurance

Life and accidental death and dismemberment (AD&D) insurance through Mutual of Omaha provides important financial protection for you and your family.

For additional details, visit the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.

Plans	Who can enroll	Amount of coverage
<b>Coverage paid by HumanGood</b>		
Employer-paid term life	You; enrollment is automatic	2 x earnings up to \$600,000
Employer-paid AD&D	You; enrollment is automatic	2 x earnings up to \$600,000
<b>Coverage paid by you</b>		
Employee-paid term life	You	5 x earnings up to \$650,000
Spouse term life <sup>1</sup>	Spouse/domestic partner	\$5,000 increments up to the lesser of \$250,000 or 100% of the team member-elected amount
Child term life <sup>1</sup>	Your children	\$2,000 increments up to \$10,000
Employee paid AD&D	You	5 x earnings up to \$650,000
Spouse AD&D <sup>2</sup>	Spouse/domestic partner	\$5,000 increments up to the lesser of the team member-elected amount
Child term AD&D <sup>2</sup>	Your children	\$2,000 increments up to \$10,000

<sup>1</sup> These plans are only available if you first elect employee-paid term life coverage.

<sup>2</sup> These plans are only available if you first elect employee-paid AD&D coverage.

In addition to the life and AD&D insurance, Mutual of Omaha includes a Living Care Benefit. For coverage paid for by HumanGood, the Living Care Benefit will pay a sum equal to 80% of the term life insurance benefit, up to a maximum of \$480,000, if you are affected with a terminal illness. This amount is subtracted from the term life insurance benefit amount prior to payment of a death benefit.

If you elect additional employee-paid term life insurance, the Living Care Benefit will pay a sum equal to 80%, up to a maximum of \$500,000, if you are affected with a terminal illness. The employer-paid term life insurance also provides free will preparation.

The employer-paid term life insurance also provides free will preparation. In just a few clicks you can complete a basic will or other documents to protect your family and property. To get started, visit [www.willprepservices.com](http://www.willprepservices.com).

### IMPUTED INCOME FOR EMPLOYER-PAID LIFE INSURANCE

The IRS requires you to be taxed on the value of employer provided group term life insurance over \$50,000. The taxable value of this life insurance coverage is called imputed income. This amount will appear as an earning and a deduction on your paycheck.

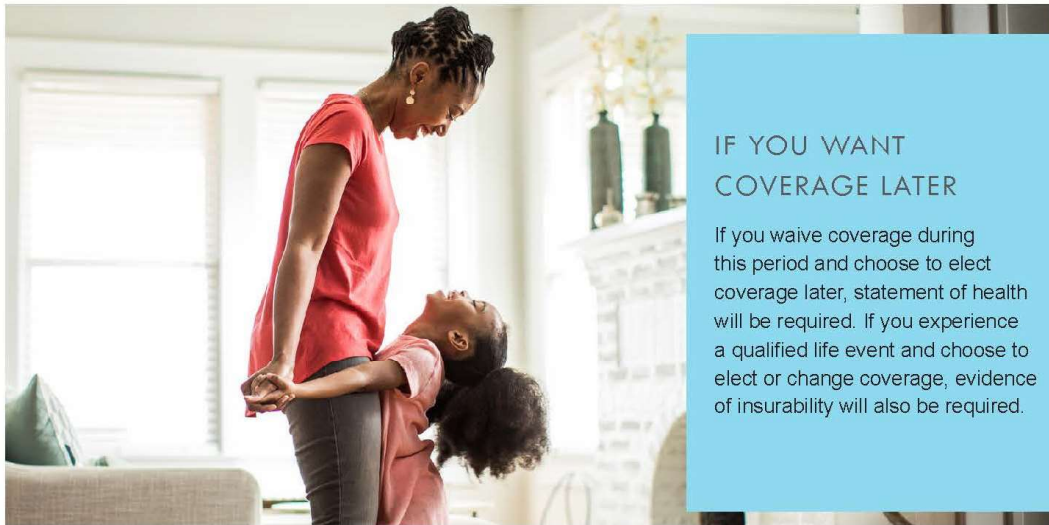
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## Evidence of insurability (EOI)

Life insurance over a certain amount may require you to complete a health questionnaire and be approved by medical underwriting. After electing coverage, you'll receive more information from Mutual of Omaha if Statement of Health is required.

Plans	Evidence of insurability
Employee-paid term life	Not required for lesser of 5 x earnings or \$330,000
Employee-paid AD&D	Not required
Spouse term life	Not required for amounts up to \$50,000
Child term life	Not required



## Permanent whole life

Atlantic American Employee Benefits offers group whole life insurance, which provides cash value accumulation, guaranteed premiums, guaranteed coverage with no medical questions, and coverage that can be taken with you if you change jobs or retire. This also provides living benefits that can afford you the ability to take care of critical medical events, such as a nursing home, home health care, assisted living facility, and adult daycare.

Plans	Amount of coverage
Employee whole life	In increments of \$10,000 up to \$100,000 coverage
Spouse whole life	In increments of \$10,000 up to \$30,000 coverage (employee must be enrolled in Whole Life)
Child whole life	\$10,000 coverage (employee must be enrolled in Whole Life)





## Disability insurance

### Short term disability

Short term disability (STD) is available through Mutual of Omaha to all benefits-eligible team members. If you need to miss work due to a non-work-related illness or accident, STD benefits can replace a percentage of your lost income, as listed in the chart below. If elected, you pay the cost of coverage.

	Benefit waiting period	Benefit percentage	Maximum benefit duration
Employer-paid STD <sup>1</sup> (for all Non-California team members)	14 calendar days	30% up to \$250/week	Up to 24 weeks per disability

If you and your family determine that you need additional short term disability coverage to help you cover expenses while you are unable to work, you have the opportunity to purchase additional short term disability coverage.

	Benefit waiting period	Benefit percentage	Maximum benefit duration
Employee-paid buy-up STD <sup>2</sup>	14 calendar days	30% up to \$500/week	Up to 24 weeks per disability

<sup>1</sup>The STD plan has a pre-existing condition limitation, meaning any injury or sickness for which you incurred medical expenses or received medical treatment three months prior to your effective date of coverage may not be covered under the plan for twelve months after the effective date.

<sup>2</sup>For California team members, this is a "buy-up" option. California State Disability Insurance (CA SDI) provides 60%-70% income replacement up to a maximum of \$1,357/week, as of early 2022. If you elect employee-paid STD coverage through HumanGood, you'll be purchasing an additional 30% benefit (the buy-up amount), giving you up to an additional \$500 a week in coverage.

### WHAT IS CALIFORNIA STATE DISABILITY INSURANCE?

California State Disability Insurance (CA SDI) is a mandatory state disability program for California team members in which a small portion of income is taken out of each paycheck. CA SDI benefits may continue up to 52 weeks.



### Long term disability

If you're unable to work for longer than 26 weeks due to a covered disability, long term disability (LTD) insurance through Mutual of Omaha replaces a portion of your income. There are two types of LTD coverage:

- **Employer-paid LTD:** Available to salaried team members at no cost. There is no need to enroll.
- **Employee-paid LTD:** Available to all team members. If you would like this benefit, you must enroll and pay for the cost of coverage. If you're an exempt team member, this coverage is a "buy-up" option to enhance and supplement your employer-paid LTD coverage.

	Benefit waiting period	Benefit percentage	Maximum benefit duration
<b>Employer-paid LTD<sup>1</sup></b> (for all benefits-eligible salaried team members)	180 calendar days of disability	Salaried: 60% up to \$5,000/month	If you become disabled prior to age 62, benefits may continue for as long as you remain disabled, or until the greater of your Social Security normal retirement age or four years. If your disability occurs at age 62 or above, the number of payments may reduce.
<b>Employee-paid LTD<sup>2</sup></b> (for all benefits-eligible team members)	180 calendar days of disability	<ul style="list-style-type: none"> <li>■ Hourly (those eligible for overtime): 50% up to \$5,000/month</li> <li>■ Salaried: 66 2/3% up to \$10,000/month<sup>2</sup></li> </ul>	

<sup>1</sup> The LTD plan has a pre-existing condition limitation, meaning any injury or sickness for which you incurred medical expenses or received medical treatment three months (for salaried) and six months (for hourly) prior to your effective date of coverage may not be covered under the plan.

<sup>2</sup> For salaried team members, this is a "buy-up" option. 60% of this benefit is your employer-paid LTD that's provided at no cost to you by HumanGood (you're automatically enrolled for coverage when you meet the eligibility requirements). If you elect employee-paid LTD coverage, you'll be purchasing an additional 6 2/3% benefit (the buy-up amount), giving you a combined total LTD benefit of 66 2/3% up to a monthly maximum of \$10,000.



## Commuter benefits

Commuter benefits allow you to pay for your work-related transit and parking costs tax free with a debit card, administered through Optum Financial. If you have an HSA or FSA, your commuter benefits are loaded onto the same debit card and these purchases are tracked separately from your health care expenses. This could save you up to 40% in taxes! You decide how much you want to set aside for your commuter expenses, within these guidelines:

- Transit account: Up to \$270 per month for bus, subway, train, ferry, streetcar, or vanpool expenses.
- Parking account: Up to \$270 per month for parking at or near work, or for Park and Ride expenses.

**IMPORTANT NOTE!** You have complete flexibility to enroll or change your contribution for commuter benefits any time during the year.

For more information, visit the Benefits Document Library on [www.myhumangood.org](http://www.myhumangood.org), under the My Worklife section then Benefits.



## Legal assistance

MetLife Legal Plans offer economical access to attorneys for you, your spouse, and your eligible dependents.

For \$18 a month, you can receive legal advice and services for a wide range of personal matters, including:

- Court appearances and defense of civil lawsuits.
- Financial, family, and real estate matters.
- Immigration assistance.
- Estate planning.
- Traffic offenses (except DUI).
- Document review and preparation.
- Consumer protection.

Please note: Divorce and employment-related matters are not covered.

For more information, go to [www.legalplans.com](http://www.legalplans.com).



## Pet insurance

Nationwide offers a cost-effective way to protect you from unexpected veterinary expenses. You can choose from two plans, each which cover things like accidents, injuries, serious/chronic illnesses, and surgeries. And one of the plans additionally covers wellness (such as exams, dental cleanings, flea and tick prevention, and more). Note, some exclusions apply.

Key features of the plans include:

- \$250 annual deductible.
- \$7,500 annual maximum.
- Range of 50% to 70% reimbursement on vet bills.
- No age limits.

Here's how it works:

1. Visit the vet of your choice.
2. Submit a claim.
3. You'll receive a reimbursement check in the mail.

**IMPORTANT NOTE!** You have complete flexibility to enroll in or change your pet insurance any time during the year. Your coverage will be effective with the next applicable payroll cycle following your election date.

If you have an existing policy with Nationwide, you may want to contact Nationwide to review your options. For more details and cost information, go to <https://benefits.petinsurance.com/humangood> or call 877-738-7874.



## Identity theft protection

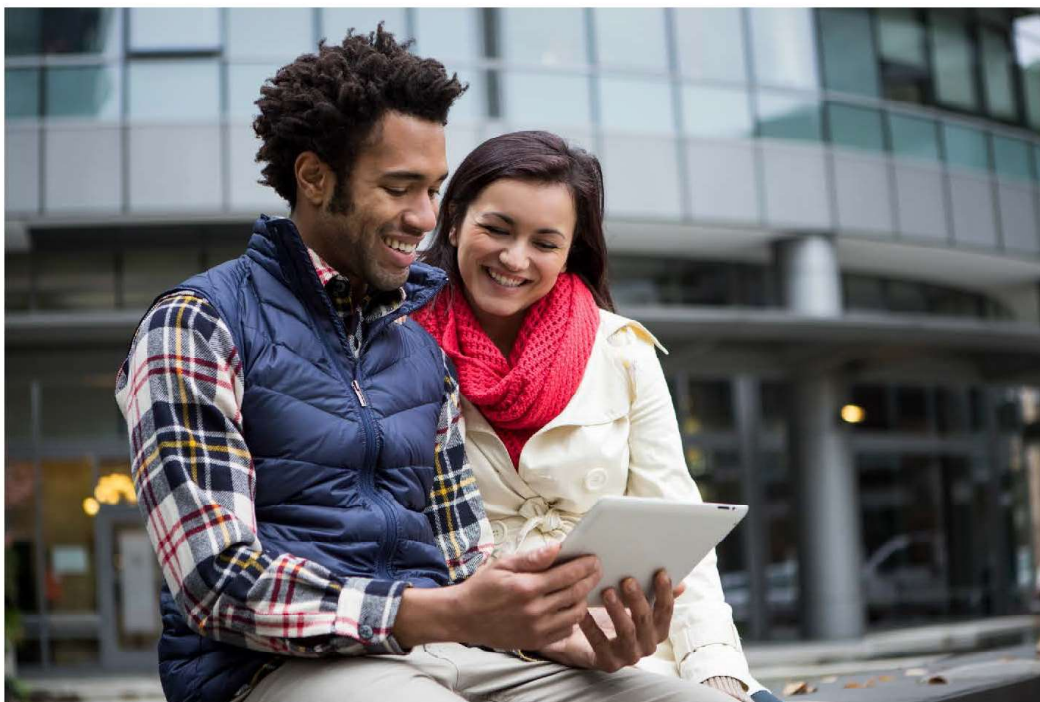
You can purchase identity theft protection benefits through Allstate Identity Protection for you and/or your family members who live with you. Here's a few of the services included in your coverage:

- Credit report monitoring.
- Monitoring of public and private databases for activity associated with your personal information.
- Monitoring of social media sites for reputational damage.
- Wallet/card replacement assistance.
- Password safety.
- Identity restoration services if you're the victim of identity theft.

Allstate Identity Theft Protection pricing:

- Team member only: \$9.95 per month.
- Team member and family members who live with you: \$17.95 per month.

For more details and cost information, go to [www.myaip.com](http://www.myaip.com) or call 800.789.2720.



## Other benefits

### Patient advocacy, EAP, and work/life services

Health Advocate™ provides HumanGood's patient advocacy, EAP, and work/life services. Health Advocate is available 24 hours a day, 365 days a year, to you, your spouse/partner, your children to age 26, your parents, and your parents-in-law.

- **PATIENT ADVOCACY SERVICES.** (Only available to team members enrolled in a HumanGood medical plan.) Health Advocate can help you to navigate your health care and benefits, including:
  - Answering questions about your health benefits.
  - Resolving health care claims and billing issues.
  - Handling retiree and elder care issues.
  - Finding qualified health care providers anywhere in the U.S.
  - Answering questions about Medicare and Social Security.
  - Scheduling appointments and arranging for specialized treatments and tests.
  - Getting unbiased information about complex medical conditions so you can make informed decisions.
- **EAP SERVICES.** Health Advocate provides personal support, including:
  - Five free counseling sessions per year, per issue.
  - Access to a licensed EAP counselor who will help you learn coping skills for stress, depression, parenting issues, substance abuse, and other temporary setbacks.
- **WORK/LIFE SERVICES.** Health Advocate provides unlimited telephonic and online access to a variety of work-life services, including:
  - Child care and elder care consultation and referrals.
  - Legal and financial referrals and resources.
  - Parenting and adoption information and resources.
  - Child and adult education resources.
  - Information on buying or selling a home.
  - Home improvement resources.
  - Resources for managing stress, anxiety, and anger.
- **A SINGLE TELEPHONE NUMBER TO CALL.** When you or an eligible family member encounters a health care or insurance-related issue or needs help with personal and/or family issues, call Health Advocate at **866.799.2728** (toll-free). You may be asked to complete a medical information release form. Please be assured that your personal information will be kept strictly confidential by Health Advocate; this information is never shared with HumanGood.

## Wellness

(Only available to team members enrolled in a HumanGood medical plan.) To help you feel your best, you can take advantage of wellness services by accessing the wellness website and employer-paid biometric screenings and health quality assessments. This program is administered by Wellworks.

HumanGood team members must complete certain requirements to receive the wellness discount from their 2023 health insurance premiums. As a reminder, new hires must complete three (3) requirements by November 30, 2022, to be eligible for the 2023 incentive.

- New hires with a benefit effective date between December 1, 2021-March 31, 2022, will need to complete the Biometric Screening and Know Your Number (KYN) Assessment to earn the wellness discount beginning the first of the following month through December 31, 2022.
- New hires with a benefit effective date between April 1, 2022-December 31, 2022, will need to complete the Biometric Screening and Know Your Number Assessment to earn the wellness rate discount beginning the first of the following month through December 31, 2023.

Benefit effective date	Requirements	Incentive
December 1, 2021-March 31, 2022	Step 1: Biometric Screening Step 2: KYN Assessment Step 3: 3/5 Healthy Ranges or 3 LNA Calls	Premium discount applied the first of the following month through December 31, 2022. Premium discount applied through December 31, 2023.
April 1, 2022-December 31, 2022	Step 1: Biometric Screening Step 2: KYN Assessment	Premium discount applied the first of the following month through December 31, 2023.

### TO SCHEDULE A SESSION WITH THE NURSE ADVOCATE, FOLLOW THE INSTRUCTIONS BELOW:

1. Log into your wellness portal and click Menu>ResultsNow.
2. Select Meet 3/5 Healthy Ranges OR Three (3) Nurse Advocate Calls.
3. Click the + sign next to the Three (3) Nurse Advocate Calls sub-component.
4. Click the Nurse Advocate Session Sign Up link.
5. Choose a time and enter the required information (be sure to enter the phone number to be called at the time of the appointment).
6. Your nurse advocate will reach out to you on the date and time of your appointment.

Please Note: Nurse advocate calls must be at least one (1) month apart and each call has a deadline. Please see a list of all deadlines below.

- Call 1 must be completed by July 31, 2022.
- Call 2 must be completed by September 30, 2022.
- Call 3 must be completed by November 30, 2022.

### Contact your Nurse Advocate team!

Your Nurse Advocate is here to work with you to align available resources, provide education and collaborate with your health care team to support you in achieving positive results. The nurse will guide you in making informed health care decisions, along with helping you understand how to use your health insurance to keep you healthy and minimize your health costs.

Your Nurse Advocate's contact information is provided below:

- Phone: 888.251.2260
- Email: [mynurseadvocate@lockton.com](mailto:mynurseadvocate@lockton.com)

### Contact your Wellworks team!

All questions regarding your Wellness Program structure, status in the program, deadlines, etc. should be directed to your Wellness Team via the Wellworks For You Portal. Simply select Contact Us from the Portal homepage. You can also call Wellworks For You at 800.425.4657.

- To learn more, go to [www.wellworksforyou.com](http://www.wellworksforyou.com), and enter your username and password.
  - Username: HG\_LastName\_EmployeeID
    - ▲ For example: HG\_Smith\_546143
  - Password: If you are logging on for the first time please use the temporary password "Welcome1 ". You will then be prompted to update your password upon initial login.

### Paid time off

HumanGood provides you with paid time off (PTO) to recover from sickness, care for an ill family member, to observe a religious holiday, or to just get a short break from work. The amount you accrue is based on your date of hire, as follows:

Length of service	Annual day equivalent	Maximum accrual
Less than 4 years	20	30 days/240 hours
4 through 5 years	22	33 days/264 hours
6 through 10 years	25	37.5 days/300 hours
11 through 15 years	30	45 days/360 hours
16 through 20 years	32	48 days/384 hours
21 years or more	35	52.5 days/420 hours

Eligible team members may use PTO once it's accrued.

### Holidays

HumanGood provides seven company-paid holidays as follows:

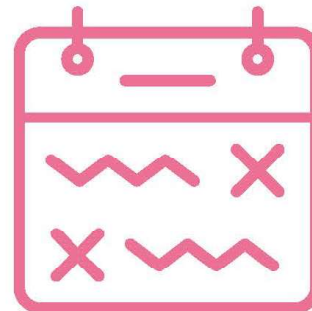
- New Year's Day
- Independence Day
- Thanksgiving Day
- Martin Luther King, Jr. Day
- Labor Day
- Christmas Day
- Memorial Day

### Jury duty

HumanGood encourages you to fulfill your civic responsibilities by serving as a juror when required. You may request up to 22 days of paid jury duty leave over any one-year period.

### Bereavement

In the event of a death of an immediate family member, you may receive up to five days of paid leave.







## Educational assistance

HumanGood proudly offers educational assistance program financial repayment to team members who pursue professional growth and development through higher education.

Who can participate

The program is available to:

### ■ FULL-TIME TEAM MEMBERS:

- If you've completed one year of service and have a satisfactory job performance rating.
- Team members must be on active payroll from the date of enrollment through the date the reimbursement request is submitted.

## How it works

Program type	Tuition amount per fiscal year
Graduate degree program	\$5,250
Undergraduate degree program	\$4,250
Secondary schools, certifications, and license programs	\$2,250
English as a second language (ESL)	Up to \$300

### IMPORTANT

Contact your supervisor for an application and approval before you register for a program or course.

## Student loan forgiveness

As a HumanGood team member, you may be eligible for forgiveness on your outstanding student loans through the federally funded Public Service Loan Forgiveness (PSLF) program.

Through PSLF, full-time employees of a non-profit organization like HumanGood may receive forgiveness on the remaining balance of their direct loans after they have made 120 qualifying monthly payments and completed 10 years of services under a qualifying repayment plan.

PSLF can be beneficial to team members. The average student loan balance in the U.S. is more than \$35,000, adding up to more than \$1.41 trillion in borrowed education funds in 2019. This may impact many of us, who budget for each month to make payments in order to reduce our student loan debt.

Visit the program website at [www.studentaid.gov/manage-loans/forgiveness-cancellation/public-service](http://www.studentaid.gov/manage-loans/forgiveness-cancellation/public-service) to learn about the PSLF program and to determine if you qualify.

## PerkSpot

The HumanGood discount program by PerkSpot offers exclusive discounts on popular brands and from your favorite retailers. You can get deals on things like:

- Travel and hotels (Expedia, Avis, Budget Rent-a-Car, Choice Hotels)
- Tickets and entertainment (Disneyland, Six Flags, AMC Theatres, Regal movie tickets)
- Cell phones and electronics (Verizon, Sprint, AT&T, Apple, HP, Dell)
- Retail purchases (Costco, Best Buy, Walmart)
- Gym and fitness services (24 Hour Fitness, Crunch Fitness, Jenny Craig)
- Auto purchases (Ford, Hyundai, Toyota, Jeep)
- All previous discounts from CPS
- ... and more!

Visit [humangood.perkspot.com/login](http://humangood.perkspot.com/login) to sign up and start saving!





## 401(k) retirement plan

The 401(k) retirement plan through Transamerica gives you an excellent opportunity to build your retirement security. Below is a summary of how the plan works.



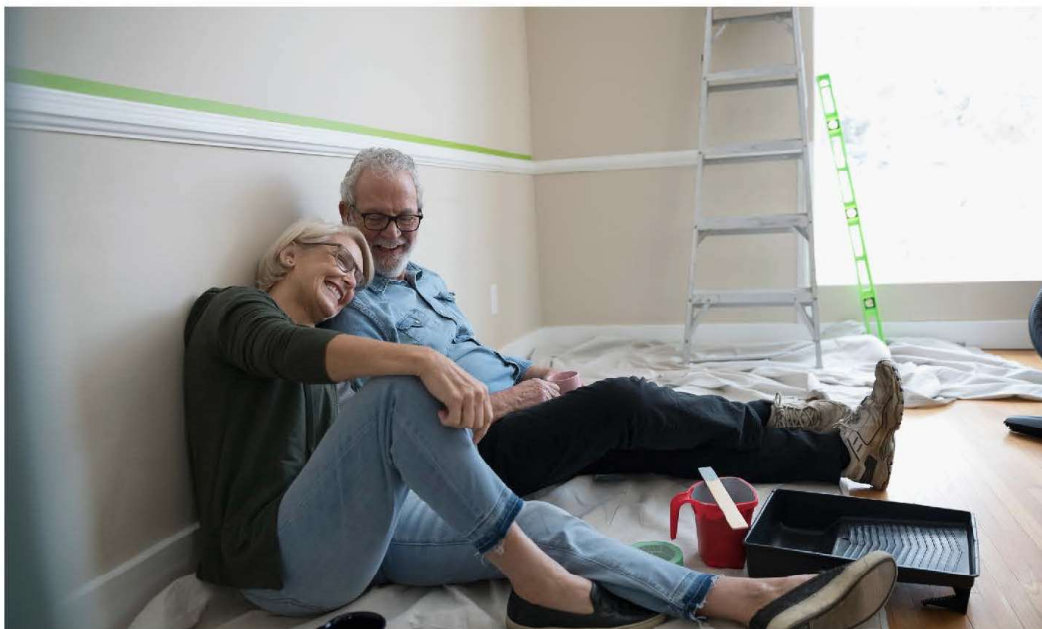
### SELECT A BENEFICIARY

It's important to choose who you want to receive your 401(k) benefit in the event of your death. Go to [www.transamerica.com/portal/home](http://www.transamerica.com/portal/home) to select your 401(k) beneficiary.

Plan features	401(k) highlights
Eligibility	You may participate in the plan immediately and are eligible to contribute if you're at least age 21.
Enrolling and making changes	You can enroll, start/stop, and/or change contributions at any time by visiting <a href="http://www.transamerica.com/portal/home">www.transamerica.com/portal/home</a> or calling Transamerica at 800.755.5801
Your contributions (traditional, Roth, catch-up)	<ul style="list-style-type: none"> <li>■ You can contribute up to 100% of your eligible compensation, up to the IRS limit of \$20,500 for 2022, in either traditional or Roth contributions:               <ul style="list-style-type: none"> <li>● Traditional contributions are made on a tax-deferred basis each pay period. You reduce your taxable income now, but pay taxes down the road when you withdraw the funds.</li> <li>● Roth contributions are made on an after-tax basis. That means you pay taxes while you're funding the account, in exchange for not paying taxes later (assuming you meet the age requirement and other criteria when you withdraw funds).</li> </ul> </li> <li>■ If you're age 50 or older, you can make "catch-up" contributions, up to an additional \$6,500 in 2022.</li> <li>■ Your contributions are deducted from your regular earnings and any bonuses.</li> </ul>
HumanGood matching contributions	<ul style="list-style-type: none"> <li>■ You're eligible after you've completed one year of service and 1,000 hours.</li> <li>■ HumanGood matches 100% of the first 3% of pay that you contribute, plus 50% of the next 2%. So, if you contribute 5% or more of pay, HumanGood adds a 4% matching contribution.</li> <li>■ Matching contributions are deposited on a quarterly basis.</li> <li>■ HumanGood also matches on catch-up contributions.</li> </ul>

Plan features	401(k) highlights
Vesting	You're always 100% vested in your own contributions, in addition to the contributions made by HumanGood. This means you always own contributions as soon as they're deposited into your account.
Investment options	<ul style="list-style-type: none"> <li>The plan offers many investment options to help you build a portfolio that meets your goals.</li> <li>You can change your investment mix at any time.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>You can borrow up to 50% of your vested account balance (minimum loan is \$1,000, maximum is \$50,000).</li> <li>There can be only one outstanding loan at a time; repayments are made via payroll deduction. Personal loans have a maximum duration of five years, residential loans are 15 years</li> </ul>
Rollover rules	<ul style="list-style-type: none"> <li>This plan accepts rollovers from other qualified plans, like another 401(k) plan, a conduit IRA, or other qualified retirement plan.</li> <li>Voluntary after-tax contributions from another plan are not allowed.</li> </ul>

If you contribute...	HumanGood will contribute...
1%	1%
2%	2%
3%	3%
4%	3.5%
5% or more	4%





## Team member contributions

The amounts below are per-paycheck amounts shown separately for medical, dental, and vision coverage — deducted 24 times a year. HumanGood will give you a \$15 per paycheck discount on your medical premiums for completing certain activities within the wellness program such as a biometric screening and health quality assessment. If you do not complete the wellness program activities, you will pay the non-wellness rate.

### Medical

Coverage level	Anthem \$1,000 Deductible Plan		Anthem \$2,800 Deductible Plan		Anthem \$6,550 Deductible Plan		Kaiser \$2,800 Deductible Plan	
	Wellness	Non-Wellness	Wellness	Non-Wellness	Wellness	Non-Wellness	Wellness	Non-Wellness
Team member only	\$58.00	\$73.00	\$32.00	\$47.00	\$0.00	\$15.00	\$32.00	\$47.00
Team member and spouse	\$314.00	\$329.00	\$127.00	\$142.00	\$176.00	\$191.00	\$127.00	\$142.00
Team member and child(ren)	\$124.00	\$139.00	\$64.00	\$79.00	\$145.00	\$160.00	\$64.00	\$79.00
Team member and family	\$366.00	\$381.00	\$191.00	\$206.00	\$242.00	\$257.00	\$191.00	\$206.00

### Dental

Coverage level	United Concordia Standard Plan	United Concordia Enhanced Plan
Team member only	\$6.00	\$8.00
Team member and spouse	\$16.50	\$20.50
Team member and child(ren)	\$16.00	\$20.00
Team member and family	\$29.00	\$36.00

### Vision

Coverage level	VSP Standard Plan	VSP Enhanced Plan
Team member only	\$2.50	\$3.50
Team member and spouse	\$4.50	\$7.50
Team member and child(ren)	\$4.00	\$7.00
Team member and family	\$7.00	\$11.50

For cost information about other plans described in this guide, go online to [www.myhumangood.org](http://www.myhumangood.org) and click on the UKG link. Then choose Life Events under the Myself menu.

### When benefit deductions occur

In 2022, HumanGood will have a biweekly payroll cycle (26 paychecks a year); however, benefits will only be deducted on 24 of those paychecks.

More details, including a detailed payroll calendar, will be posted on [www.myhumangood.org](http://www.myhumangood.org) under the My Worklife section, then Pay.



## Contacts

If you don't know who to call... **866.486.1417** is the only number you really have to use. Benefits Counselors are there to assist, or they will get you to the right place if your question needs an expert.

### Benefits enrollment/Life events

Online: [www.myhumangood.org](http://www.myhumangood.org)

- Click on the UKG link, and then choose Life Events under the Myself menu

Benefit counselor: 866.486.1417

### Medical

Anthem

Phone: 833.954.1076

Website: [www.anthem.com/ca](http://www.anthem.com/ca)

National PPO (BlueCard PPO)

Group number: 174279

Kaiser

Phone: 888.901.4636

Website: [www.kp.org/memberservices](http://www.kp.org/memberservices)

### Tax-advantaged accounts (HSA, FSA, and Commuter)

Optum Financial

Claims support: 877.292.4040

Website: [www.optumfinancial.com](http://www.optumfinancial.com)

### Supplemental medical insurance (accident, critical illness, and hospital indemnity)

Aetna

Group number: 802309

Phone: 888.772.9682

Website: [www.aetna.com/voluntary](http://www.aetna.com/voluntary)

### Dental

United Concordia

Dental Network: Elite Plus

Group number:

Standard Plan — 923104000

Enhanced Plan — 923104001

Phone: 800.332.0366

Website: [www.unitedconcordia.com](http://www.unitedconcordia.com)

### Vision

Vision Service Plan

Group number: 30043530

Phone: 800.877.7195

Website: [www.vsp.com](http://www.vsp.com)

### Life and AD&D

Mutual of Omaha

Group number: G000BS85

Phone: 800.877.5176

Website: [www.mutualofomaha.com](http://www.mutualofomaha.com)

### Disability insurance

Mutual of Omaha

Group Number G000BS85

Phone: 800.877.5176

Website: [www.mutualofomaha.com](http://www.mutualofomaha.com)



### Permanent whole life

Atlantic American

Phone: 866.458.7500

Website: [mycoverage.atlam.com](http://mycoverage.atlam.com)

### Legal assistance

MetLife Legal Plans

Policy number: 139612

Phone: 800.821.6400

Website: [www.legalplans.com](http://www.legalplans.com)

### Pet insurance

Nationwide

Group number: 3617

Phone: 877.738.7874

Website: <https://benefits.petinsurance.com/humangood>

### Identity theft protection

Allstate Identity Protection

Group number: 487

Phone: 800.789.2720

Website: [www.myaip.com](http://www.myaip.com)

### Wellness

Wellworks For You

Phone: 800.425.4657

Website: [www.wellworksforyou.com](http://www.wellworksforyou.com)

Username: HG\_LastName\_EmployeeID  
For example: HG\_Smith\_546143

Password: If you are logging on for the first time please use the temporary password "Welcome1." You will then be prompted to update your password upon initial login.

### Nurse Advocate

Phone: 1.888.251.2260

Email: [mynurseadvocate@lockton.com](mailto:mynurseadvocate@lockton.com)

### Health Advocate

- Find the right providers, hospitals
- Resolve medical claims and bills
- Receive assistance with Medicare
- Locate elder care, support services
- Short term assistance for personal, family issues
- Locate resources to balance work/life
- Estimate medical and prescription costs

Phone: 866.799.2728

Website: [www.healthadvocate.com/members](http://www.healthadvocate.com/members)

Access code: HumanGood

### HumanGood discount program

PerkSpot

Website: [humangood.perkspot.com/login](http://humangood.perkspot.com/login)

### 401(k) retirement plan

Transamerica

Phone: 800.755.5801

Website: [www.transamerica.com/portal/home](http://www.transamerica.com/portal/home)

## Steps to enroll

Enroll (or waive coverage) within the 45-day window starting on your date of hire or eligible status change date (to full-time status).

Qualifying life events have a 31-day window to enroll or make changes.



1. There are 3 ways to enroll in benefits:
  - Enroll online through [www.myhumangood.org](http://www.myhumangood.org) and click on the UKG link. Then choose Life Events under the Myself menu.
  - Schedule a dedicated enrollment appointment for a time convenient for you by scanning the QR code. You can also navigate to this link: [https://book.appointment-plus.com/d4p02rz0/?employee\\_id=8367#/](https://book.appointment-plus.com/d4p02rz0/?employee_id=8367#/).
  - Enroll by phone with a benefits counselor at 866.486.1417.
2. Open an HSA (if applicable). If you elect the Anthem \$2,800 Deductible Plan or Kaiser \$2,800 Deductible Plan with HSA, enroll in the HSA through UKG and register your account through Optum Financial.
  - If you haven't opened an HSA before — you must enroll and certify that you meet the eligibility criteria.
3. Submit dependent documentation. When you add a new family member, the family member won't be added to your benefits automatically. You will need to add your dependents to each and every benefit you want them to have. If you are adding dependent(s) coverage, you will need to provide your local HR representative with appropriate dependent documentation within your 45-day window (31-day window for life events).
  - Appropriate documentation (such as a birth certificate or marriage license) for any dependents you enroll.
  - If you cover a domestic partner and that person qualifies as a "tax dependent" under IRS rules, you need to complete the Domestic Partner or Civil Union Partner Tax Status Form. Otherwise, your domestic partner's coverage will be subject to additional taxes, called imputed income.
4. Don't forget to choose your beneficiaries. They apply to your basic life, accidental death and dismemberment (AD&D) insurance, and critical illness. There is a separate beneficiary designation form for your HSA and retirement plans.
5. Save or print your benefits confirmation statement. If you enroll by phone, you can request that your enrollment confirmation be emailed to you.





## Your benefits checklist

Take time to learn about the great HumanGood benefits that are available to you, which are detailed in this Benefits Guide. As you review your options, use this worksheet to take notes and keep track of the benefit elections that work best for you. Please note, you must enroll through UKG, which can be accessed on [www.myhumangood.org](http://www.myhumangood.org). This worksheet is NOT an enrollment form.

### Medical insurance (see pages 7-10 for details)

Options (select one)	Coverage level	Notes
<input type="checkbox"/> Anthem \$1,000 deductible plan	<input type="checkbox"/> Team member only	
<input type="checkbox"/> Anthem \$2,800 deductible plan	<input type="checkbox"/> Team member and spouse/domestic partner	
<input type="checkbox"/> Anthem \$6,550 deductible plan	<input type="checkbox"/> Team member and child(ren)	
<input type="checkbox"/> Kaiser \$2,800 deductible plan	<input type="checkbox"/> Team member and family	
<input type="checkbox"/> Waive/decline coverage		

### Tax-advantaged accounts (see pages 11-14 for details)

Plan	Contributions	Your contribution amount	Notes
<input type="checkbox"/> Health savings account (HSA)  <i>Available only if you participate in the Anthem or Kaiser \$2,800 deductible plan</i>	HumanGood contributes: For individual coverage: \$325/quarter (\$1,300/year) For family coverage: \$650/quarter (\$2,600/year) You can also contribute up to: For individual coverage: \$2,350 For family coverage: \$4,700	\$ _____ If you are or will turn age 55 in 2022, you can contribute up to an additional \$1,000 in "catch-up" contributions.	
<input type="checkbox"/> Limited purpose flexible spending account (FSA) <i>Available only if you have an HSA</i>	You can contribute up to \$2,750 in pre-tax money	\$ _____	
<input type="checkbox"/> Health care FSA	You can contribute up to \$2,750 in pre-tax money	\$ _____	
<input type="checkbox"/> Dependent care FSA	You can contribute up to \$5,000/year (per individual or married couple)	\$ _____	

### Supplemental medical insurance (see page 15 for details)

Options (select one)	Coverage level	Notes
<input type="checkbox"/> Aetna accident insurance	<input type="checkbox"/> Team member only	
<input type="checkbox"/> Aetna critical illness	<input type="checkbox"/> Team member and spouse/domestic partner	
<input type="checkbox"/> Aetna hospital indemnity insurance	<input type="checkbox"/> Team member and child(ren)	
<input type="checkbox"/> Waive/decline coverage	<input type="checkbox"/> Team member and family	

### Dental insurance (see page 16 for details)

Options (select one)	Coverage level	Notes
<input type="checkbox"/> United Concordia standard plan	<ul style="list-style-type: none"> <li>■ Team member only</li> </ul>	
<input type="checkbox"/> United Concordia enhanced plan	<ul style="list-style-type: none"> <li>■ Team member and spouse/domestic partner</li> <li>■ Team member and child(ren)</li> </ul>	
<input type="checkbox"/> Waive/decline coverage	<ul style="list-style-type: none"> <li>■ Team member and family</li> </ul>	

### Vision insurance (see page 17 for details)

Options (select one)	Coverage level	Notes
<input type="checkbox"/> VSP standard plan	<ul style="list-style-type: none"> <li>■ Team member only</li> </ul>	
<input type="checkbox"/> VSP enhanced plan	<ul style="list-style-type: none"> <li>■ Team member and spouse/domestic partner</li> <li>■ Team member and child(ren)</li> </ul>	
<input type="checkbox"/> Waive/decline coverage	<ul style="list-style-type: none"> <li>■ Team member and family</li> </ul>	

### Life and AD&D insurance (see pages 18-19 for details)

Important! Life insurance coverage isn't guaranteed; some elections may require you to submit Evidence of Insurability. See the Life and AD&D section of the guide for details.

Options	Coverage level	Requested coverage amount	Notes
<b>Coverage paid by HumanGood</b>			
<input checked="" type="checkbox"/> Employer-paid term life	Team member only	Automatically enrolled for 2 x earnings up to \$600,000	
<input checked="" type="checkbox"/> Employer-paid AD&D	<ul style="list-style-type: none"> <li>Team member only</li> <li>Team member and family</li> </ul>	Automatically enrolled for 2 x earnings up to \$600,000	
<b>Coverage paid by you</b>			
<input type="checkbox"/> Employee-paid term life	Team member only	5x annual salary up to \$650,000	
<input type="checkbox"/> Spouse term life*	Spouse/domestic partner	\$ _____ Available in increments of \$5,000, to the lesser of \$250,000 or 100% of the amount elected for Employee-Paid Term Life	
<input type="checkbox"/> Child term life*	Child	\$ _____ Available in increments of \$2,000, to a maximum of \$10,000	
<input type="checkbox"/> Employee-paid AD&D	Team member only	5x annual salary up to \$650,000	
<input type="checkbox"/> Spouse AD&D**	Spouse/domestic partner	\$ _____ Available in increments of \$5,000, to the lesser of \$250,000 or 100% of the amount elected for Employee-Paid AD&D	
<input type="checkbox"/> Child AD&D**	Child	\$ _____ Available in increments of \$2,000, to a maximum of \$10,000	
<input type="checkbox"/> Waive/decline coverage			

\*Spouse, domestic partner, and child coverage is only available if you first elect Employee-Paid Term Life.

\*\*Spouse, domestic partner, and child coverage is only available if you first elect Employee-Paid AD&D.



### Permanent whole life (see page 19 for details)

Options	Coverage level	Requested coverage amount	Notes
<input type="checkbox"/> Employee whole life	Team member only	In increments of \$10,000 up to \$100,000 coverage	
<input type="checkbox"/> Spouse whole life	Spouse/domestic partner	In increments of \$10,000 up to \$30,000 coverage (employee must be enrolled in Whole Life)	
<input type="checkbox"/> Child whole life	Child	\$10,000 coverage (employee must be enrolled in Whole Life)	
<input type="checkbox"/> Waive/decline coverage			

### Disability insurance (see pages 20-21 for details)

Important! Disability insurance coverage isn't guaranteed; some elections may require you to submit Evidence of Insurability. See the disability section of the guide for details.

Options	Coverage level	Percentage of income replacement	Notes
<input checked="" type="checkbox"/> Employer-paid short term disability	Salaried team members are enrolled automatically	30% up to \$250/week	
<input type="checkbox"/> Employee-paid buy up short term disability*	Team member only	30% up to \$500/week	
<input checked="" type="checkbox"/> Employer-paid long term disability (LTD) insurance	Salaried team members are enrolled automatically	60% up to \$5,000/month	
<input type="checkbox"/> Employee-paid long term disability (LTD) insurance	Team member only	Hourly (those eligible for overtime): 50% up to \$5,000/month Salaried: 66 2/3% up to \$10,000/month**	
<input type="checkbox"/> Waive/decline coverage			

\*For California team members, this is a "buy-up" option. See the STD section the benefit guide for additional details.  
\*\*For salaried team members, this is a "buy-up" option. See the LTD section of the benefit guide for additional details.

### Commuter benefits (see page 22 for details)

Options	Contributions	Your contribution amount	Notes
<input type="checkbox"/> Transit account	Team member only	\$ _____ (Up to \$270 per month)	
<input type="checkbox"/> Parking account	Team member only	\$ _____ (Up to \$270 per month)	
<input type="checkbox"/> Waive/decline coverage			

### Legal assistance (see page 22 for details)

Options	Coverage level	Notes
<input type="checkbox"/> MetLife legal plans	Participation includes coverage for team member, spouse, and eligible dependents	
<input type="checkbox"/> Waive/decline coverage		

### Pet insurance (see page 23 for details)

You can enroll anytime.

Options (select one)	Notes
<input type="checkbox"/> My pet protection	
<input type="checkbox"/> My pet protection with wellness	
<input type="checkbox"/> Waive/decline coverage	

### Identity theft protection (see page 24 for details)

Options (select one)	Coverage level	Notes
<input type="checkbox"/> Allstate identity theft protection	<ul style="list-style-type: none"><li><input type="checkbox"/> Team member only</li><li><input type="checkbox"/> Team member and family members who live with you</li></ul>	
<input type="checkbox"/> Waive/decline coverage		

### 401(k) retirement savings (see pages 30-31 for details)

You can enroll any time by visiting [www.transamerica.com/portal/home](http://www.transamerica.com/portal/home) or calling Transamerica at 800.755.5801.

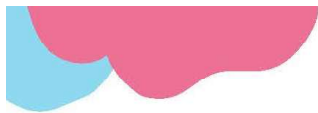
HumanGood 401(k) plan — requested contribution amount	Notes
<input type="checkbox"/> _____% (Up to 100% of your eligible compensation, up to the annual IRS limit of \$20,500 for 2022, plus \$6,500 if you're eligible for catch-up contributions)	

#### FINAL NOTES

This summary of benefits is not intended to be a complete description of HumanGood's insurance benefit plans. Please refer to the plan document(s) for a complete description. Each plan is governed in all respects by the terms of its legal plan document rather than by this or any other summary of the insurance benefits provided by the plan.

In the event of any conflict between a summary of the plan and the official document, the official document will prevail. Although HumanGood maintains its benefit plans on an ongoing basis, HumanGood reserves the right to terminate or amend each plan in its entirety or in any part at any time.

Please contact your HumanGood human resources representative with questions regarding the information provided in this overview.



human good

## HumanGood Benefits



### Health Advocate (employee assistance program)

866.799.2728

#### Enroll for benefits

There are 3 ways to enroll in benefits:

1. Enroll online through [www.myhumangood.org](http://www.myhumangood.org) and click on the UKG link. Then choose Life Event under the Myself menu.
2. Schedule a dedicated enrollment appointment for a time convenient for you by scanning the QR code. You can also navigate to this link: [https://book.appointment-plus.com/d4p02rz0/?employee\\_id=8367#/](https://book.appointment-plus.com/d4p02rz0/?employee_id=8367#/).
3. Enroll by phone with a benefits counselor at 866.486.1417.



vc: 84826

**SCHEDULE 14.2.3**

**RETAINED EMPLOYEES**

- 1. Greg Bearce**
- 2. Raquel Vergara**
- 3. Sammi Wu**

**EXHIBIT A**  
**FORM OF DEED**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MAIL TAX STATEMENTS TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Space Above this Line is for Recorder's Use

APN: \_\_\_\_\_

Address: \_\_\_\_\_

**Grant Deed**

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$\_\_\_\_\_.

(X) computed on full value of property conveyed, or

( ) Property Not Sold

( ) computed on full value less of liens and encumbrances remaining at time of sale.

( ) Unincorporated area:  (X) City of \_\_\_\_\_

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
\_\_\_\_\_, hereby GRANT(S) to

\_\_\_\_\_, all of its right, title and interest in that property  
in the City of \_\_\_\_\_, County of \_\_\_\_\_, State of California, as described on **Exhibit A**,  
attached hereto and incorporated herein by this reference

Dated: \_\_\_\_\_, 2022

[Remainder of Page Intentionally Left Blank]

Signature Page – Grant Deed

IN WITNESS WHEREOF, this instrument is executed effective as of date set forth above.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

Personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)



## EXHIBIT B

### FORM OF BILL OF SALE

#### BILL OF SALE

In consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, effective as of \_\_\_\_\_, 2022 (the "**Effective Date**"), HUMANGOOD SOCAL, a California non-profit public benefit corporation ("**Seller**") does hereby grant, bargain, sell, convey, transfer and assign to \_\_\_\_\_ LLC, a California limited liability company ("**Purchaser**") pursuant to the terms of that Purchase and Sale Agreement dated as of \_\_\_\_\_, 2022, between Seller and Purchaser (the "**Purchase Agreement**") all of their right, title and interest in and to, all and singular of the following:

1. All fixtures attached or appurtenant to the Real Property and the Facility (the "**Fixtures**");

2. All furnishings and equipment, including, but not limited to, tools, machinery, appliances, bed linens, inventory, food, housekeeping supplies, and all other tangible personal property located on or about the Real Property and the Facility which is owned by Seller (collectively, the "**Personal Property**");

3. To the extent assignable, all of the permits, licenses, approvals, entitlements, certifications and other governmental and quasi-governmental authorizations including, without limitation, bed rights, certificates of occupancy and other similar permits relating to all or any part of the Real Property and the Facility, and all amendments, modifications, supplements, general conditions and addenda thereto, required in connection with the ownership and the operation of the Facility;

4. Original and, to the extent in the possession of Seller or under the control of Seller, digital copies of all reports, drawings, plans, blueprints, studies, specifications, certificates of occupancy, building permits and grading permits relating to all or any part of the Real Property or the Facility and all amendments, modifications, supplements, general conditions and addenda thereto;

5. All warranties, representations and guaranties with respect to the ownership and operation of the Real Property and the Facility, whether express or implied, which Seller now holds or under which Seller is the beneficiary (the "**Warranties**");

6. All of Seller's legal and equitable claims, causes of action, and rights, if any, against the architects, engineers, designers, contractors, subcontractors, suppliers and materialmen and any other party who has supplied labor, services, materials or equipment, directly or indirectly, in connection with the design, planning, construction or ownership of all or any part of the Real Property or the Facility (the "**Claims**");

7. All other intangible personal property of every kind and nature whatsoever owned by the Seller as of the date of this Agreement or hereafter acquired, which can be legally transferred and which relate directly to the ownership and operation of the Real Property and the Facility;

8. The owned vehicle described on Exhibit A hereto (the "**Vehicle**");

9. The goodwill associated with the operations at the Facility, as well as all related tangible and intangible personal property which the Seller uses in the conduct of the business of the Facility;

10. All books, files and records related to the operation of the Facility, including, but not limited to, original records for current residents and employees of the Facility, but specifically excluding (a) proprietary or organizational document and financial, accounting and/or tax records or Seller, (b) those documents whose disclosure is restricted by applicable law and (c) any records of former residents and employees which may be removed from the Facility by prior to the Closing Date; and

11. All computer hardware and software which are located at the Facility, owned by Seller and used in connection with the operation of the Facility, but specifically excluding any non-assignable software included in the Excluded Assets.

Except for the Excluded Assets identified in Section 1.2 of the Purchase Agreement.

TO HAVE AND TO HOLD, all and singular, the foregoing hereby sold, assigned, transferred and conveyed to Purchaser, its successors and assigns, to and for its own use and benefit.

Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Purchase Agreement.

IN WITNESS WHEREOF, the Seller does hereby execute this Bill of Sale as of the day and year first set forth above.

HUMANGOOD SOCAL,

a California non-profit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A TO BILL OF SALE**

**EXHIBIT C**

**FORM OF ASSIGNMENT**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

This Assignment and Assumption Agreement (this "**Agreement**") is made and entered into effective as of the \_\_\_\_ day of \_\_\_\_\_, 2022 (the "**Effective Date**"), by and between HUMANGOOD SOCAL, a California non-profit public benefit corporation ("**Assignor**"), and \_\_\_\_\_ ("**Assignee**").

**RECITALS**

A. Assignor is the owner and operator of that certain continuing care retirement community commonly known as "Windsor" and "Windsor Manor", and located at 1230 E. Windsor Road, Glendale, CA (the "**Facility**").

B. Assignor, as Seller, has entered into that certain Purchase and Sale Agreement dated as of \_\_\_\_\_, 2022 (the "**Purchase Agreement**") pursuant to which Assignor has agreed to transfer and assign to Assignee all of Assignor's right title and interest in and to the Operating Contracts listed on Exhibit A hereto and the Resident Agreements (collectively, the "**Assumed Contracts**").

C. Assignor and Assignee are desirous of documenting the terms and conditions under which said assignment and assumption will occur.

D. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants of the parties set forth herein, IT IS HEREBY AGREED AS FOLLOWS:

**AGREEMENT**

1. Assignment. Assignor does hereby sell, assign, transfer and convey to Assignee all of Assignor's right, title and interest, if any, in and to the Assumed Contracts; provided, however, that nothing herein shall be construed as (i) imposing any liability on Assignee with respect to the Assumed Contracts for the performance of obligations arising thereunder prior to the Effective Date or as a result of the acts or omissions of Assignor or of its officers, employees, contractors, agents or affiliates thereunder prior to the Effective Date, or (ii) imposing any liability on Assignor with respect to the Assumed Contracts as a result of the acts or omissions of Assignee or of its officers, employees, contractors, agents or affiliates thereunder from and after the Effective Date.

2. Assumption. Assignee does hereby accept the sale, assignment, transfer and conveyance of Assignor's right, title and interest in and to the Assumed Contracts; provided, however, that nothing herein shall be construed as (i) imposing any liability on Assignee with respect to the Assumed Contracts for the performance of obligations arising thereunder prior to

the Effective Date or as a result of the acts or omissions of Assignor or its officers, employees, contractors, agents or affiliates thereunder prior to the Effective Date, or (ii) imposing any liability on Assignor with respect to the Assumed Contracts as a result of the acts or omissions of Assignee or its officers, employees, contractors, agents or affiliates thereunder from and after the Effective Date.

3. Governing Law; Amendment. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and may not be amended or modified except by written instrument signed by the parties hereto.

4. Counterparts. This Agreement may be executed in any number of counterparts and delivered by facsimile or electronic mail with the same effect as if all Parties had executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

5. Attorneys' Fees. In the event of a dispute among the parties hereto with respect to the subject matter hereof, the prevailing party in any such dispute shall be entitled to collect from the other any and all attorneys' fees and costs.

6. Entirety. This Agreement represents the entire agreement of the parties hereto with respect to the subject matter hereof, it being understood and agreed that nothing herein shall affect the rights and obligations of Assignor and Assignee under the Purchase Agreement. This Agreement shall be subject to and governed by the terms and conditions of the Purchase Agreement. Notwithstanding any other provision of this Agreement, no provision of this Agreement shall in any way modify, amend, replace, change, rescind, waive, enlarge or in any way affect the express provisions (including the warranties, covenants, agreements, conditions, representations, or any of the obligations and indemnifications of the parties hereto) set forth in the Purchase Agreement, this Agreement being intended solely to effect the transfer and assignment of certain rights sold and purchased pursuant to and in accordance with the Purchase Agreement.

7. Notices. Any notice, request or other communication to be given by either party hereunder shall be in writing and shall be sent to the parties and in the manner specified in the Purchase Agreement.

8. Severability. Should any one or more of the provisions hereof be deemed to be invalid or unenforceable said determination shall not affect the validity or enforceability of the remaining terms hereof.

9. Captions. The captions in this Agreement have been inserted for convenience of reference only and shall not be construed to define or to limit any of the terms or conditions hereof.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the Effective Date.

**ASSIGNOR:**

HUMANGOOD SOCAL,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ASSIGNEE:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**Exhibit A To ASSIGNMENT AND ASSUMPTION AGREEMENT**  
**ASSUMED OPERATING CONTRACTS**

**EXHIBIT D**

**FIRPTA AFFIDAVIT**

Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of certain premises located at 1230 E. Windsor Road, Glendale, CA, the undersigned hereby certifies the following on behalf of HumanGood SoCal, a California non-profit public benefit corporation (the "**Seller**"):

1. The Seller is not a "disregarded entity" as defined in Code Section 1445-2(b)(2)(iii);
2. The Seller is not a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
3. The Seller's federal tax identification number is \_\_\_\_\_;
4. The Seller's address is \_\_\_\_\_;
5. The Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my actual and current knowledge and belief it is true, correct and complete this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**SELLER:**

HUMANGOOD SOCAL,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



# **EXHIBIT 2**

**FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT**  
**(Windsor Manor)**

**THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "**Amendment**") is made and entered into as of this 29th day of July, 2022, by and between HumanGood SoCal, a California non-profit public benefit corporation d/b/a "Windsor" and "Windsor Manor" ("**Seller**") and Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation, or its assigns ("**Purchaser**").

**RECITALS:**

A. **WHEREAS**, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated May 17, 2022 (the "**Agreement**"), pursuant to which Purchaser agreed to acquire and Seller agreed to sell the Real Property, the Facility, and the Business operations conducted therein, subject to the terms and conditions set forth in the Agreement; and

B. **WHEREAS**, Seller and Purchaser now desire to amend the Agreement to, among other things, confirm that Purchaser has waived all contingencies to Closing, provide a date for the approval of public announcements, provide Purchaser with additional time to submit its licensing applications, and confirm mutually agreed upon form documents ancillary to the Agreement, all upon the terms and conditions contained herein.

**NOW, THEREFORE**, in consideration of the terms, conditions and covenants contained in the Agreement and in this Amendment, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser agree as follows:

1. **Recitals Incorporated; Certain Defined Terms.** The foregoing recitals are true and correct. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Agreement.

2. **Purchaser's Waiver of Contingencies to Closing.** Purchaser hereby acknowledges that the Due Diligence Period has expired, that Purchaser is satisfied with its Due Diligence Review and that Purchaser has elected to proceed to Closing.

3. **Public Announcement Date.** Seller and Purchaser hereby agree that either party may make a public announcement or disclosure concerning the execution of the Agreement or the transactions contemplated thereby on or after July 15, 2022.

4. **Licensing Applications.** The parties agree that Purchaser shall have additional time to submit its licensing applications as required under Section 10 of the Agreement, which applications include the CHOW, the application for a new Certificate of Authority and the SNF Application. The parties agree that Purchaser shall submit each of these applications by August 1, 2022.

5. **Forms of Leaseback Documents and OTA.** Pursuant to Section 10.2 of the Agreement, Seller and Purchaser have approved the attached forms of the following documents: Interim Lease (attached hereto as Exhibit A); Interim Management Agreement (attached hereto as Exhibit B); and OTA (attached hereto as Exhibit C).

6. **Identification of Due Diligence Materials.** Attached hereto as Exhibit D is a list of the Due Diligence Materials provided by Seller to Purchaser in accordance with Section 4.1.1 of the Agreement.

7. **Representation.** Purchaser hereby represents that it has no intention of reducing the capacity of nursing home beds at the Facility and intends to continue providing services to Medicare and Medicaid (Medi-Cal) residents after the Closing.

8. **Effect of Amendment.** Except as amended and/or modified by this Amendment, the Agreement is hereby ratified and confirmed and all other terms of the Agreement shall remain in full force and effect, unaltered and unchanged by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail. Whether or not specifically amended by the provisions of this Amendment, all of the terms and provisions of the Agreement are hereby amended to the extent necessary to give effect to the purpose and intent of this Amendment.

9. **Governing Law.** This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of California.

10. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together will constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Amendment attached thereto. This Amendment may also be executed by facsimile or PDF signatures, and each copy of this Amendment bearing the facsimile or PDF signature of any party's authorized representative shall be deemed to be an original. The parties hereto agree to exchange original signatures as soon as practical thereafter.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGES]**

**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the day, month and year first written above.

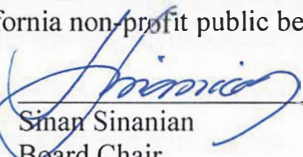
**SELLER:**

**HUMANGOOD SOCIAL,**  
a California non-profit public benefit corporation

By:   
Name: Dan Ogus  
Title: Chief Operating Officer

**PURCHASER:**

**ARARAT HOME OF LOS ANGELES, INC.,**  
a California non-profit public benefit corporation

By:   
Name: Sinan Sinanian  
Title: Board Chair

**EXHIBIT A**

**FORM OF INTERIM LEASE**

[Attached]

## INTERIM LEASE AGREEMENT

**THIS INTERIM LEASE AGREEMENT** (this "Interim Lease") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2022 (the "Effective Date") by and between Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation ("Landlord"), and HumanGood SoCal, a California non-profit public benefit corporation d/b/a "Windsor" and "Windsor Manor" ("Licensee").

### RECITALS

A. Licensee, as "Seller," and Landlord, as "Buyer", are parties to that certain Purchase and Sale Agreement dated May 17, 2022 (the "Purchase Agreement"), pursuant to which Licensee is, on the Effective Date, transferring and assigning, and Landlord is acquiring, substantially all of the assets of Licensee relating to that certain continuing care retirement community commonly referred to "Windsor" and "Windsor Manor" and located at 1230 E. Windsor Road, Glendale, California (the skilled nursing portion of the Facility, together with all of Landlord's right, title and interest in and to the assets being transferred or assigned to Landlord pursuant to the Purchase Agreement, the "Facility"), all as more particularly set forth in the Purchase Agreement.

B. Licensee currently holds skilled nursing facility license (the "SNF License") for the operation of the Facility.

C. As of the Effective Date, Landlord has applied for a new skilled nursing facility license (the "New License") from the California Department of Public Health ("DPH") for the continued operation of the Facility as a Skilled Nursing Facility by Landlord.

D. Pending the issuance of the New License to Landlord, Landlord desires to lease the Facility to Licensee and Licensee desires to lease the Facility from Landlord for the purposes of assuring that a licensed party at all times controls the physical premises of the Facility and providing for the continued operation of the Facility by Licensee under the SNF License.

E. Concurrently with this Interim Lease, Licensee and Landlord are entering into that certain Interim Management Agreement of even date with the Effective Date (the "Interim Management Agreement") and together with this Interim Lease, the "Interim Agreements"), pursuant to which Licensee is engaging Landlord to manage the Facility, all as more particularly set forth in the Interim Management Agreement.

F. The parties are interested in documenting the terms and conditions under which the Lease of the Facility shall occur.

G. Commensurate with DPH policy and within applicable time frames, Landlord will notify DPH of a change in licensure application and will submit to DPH all documentation required in connection therewith.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, IT IS AGREED AS FOLLOWS:

## **AGREEMENT**

### **1. LEASE OF THE FACILITY**

Landlord does hereby lease to Licensee, and Licensee does hereby lease from Landlord, the Facility. Licensee hereby agrees to act as “tenant” of the Facility during the term hereof for the limited purpose of allowing Licensee to continue operating the Facility under the SNF License pending issuance of the New License in the name of Landlord, provided, however, that Licensee shall not have any liability for any claim in connection with this Interim Lease except to the extent resulting from the negligence or willful misconduct of Licensee. Without limiting the foregoing, Landlord shall be solely responsible for acquiring, maintaining and paying for any liability or other insurance for the Facility and shall be solely responsible for any losses relating to the Facility which are not covered by such insurance. In connection with the foregoing, Landlord agrees that during the Lease Term (as defined below) and for a period of three (3) years after the Lease Term, Licensee shall be named as additional insured on all policies of liability insurance for the Facility maintained by Landlord which policies of insurance shall be approved by Licensee. Prior to the Effective Date, Landlord shall provide to Licensee certificates of insurance evidencing such coverage.

### **2. TERM OF LEASE; DILIGENCE IN OBTAINING REQUIRED APPROVALS**

The term of this Interim Lease (the “Lease Term”) shall commence on the Effective Date and shall terminate automatically without the need for further action or the execution of any further documents by any of the parties hereto, upon the date on which the New License is issued to Landlord. Landlord hereby covenants and agrees to proceed with commercially reasonable diligence to secure the New License and to inform Licensee in writing promptly upon issuance of the New License. In the event the Lease Term extends beyond the date that is twelve (12) months after the Effective Date, Landlord shall pay to Licensee a sum equal to Five Thousand Dollars (\$5,000) per month, commencing on \_\_\_\_\_, and on the first day of each month thereafter for the duration of the Lease Term, as compensation for its services provided under this Interim Lease; PROVIDED, HOWEVER, that if Tenant has proceeded with commercially reasonable diligence to secure the New License and the New License is delayed for reasons beyond Landlord’s reasonable control, such fee shall not be charged until the date that is fifteen (15) months after the Effective Date.

### **3. RENT**

3.1. Landlord shall be entitled to any net cash flow from the operation of the Facility. Further, Landlord shall be responsible for all costs and expenses related to the operation of the Facility during the term of this Interim Lease.

3.2. Without limiting the foregoing, Landlord shall be solely responsible for the condition of the Facility, including without limitation, all repairs (whether or not structural), and Landlord shall bear the risk of any condemnation or eminent domain proceeding and shall bear the entire risk of any fire or other casualty or damage to or destruction of any or all of the Facility.

3.3 Notwithstanding any provisions of this Interim Lease to the contrary, the obligations of Licensee and Landlord arising under this Section 3 for the period prior to the termination of this Interim Lease shall survive any termination of this Interim Lease.

#### **4. ASSIGNMENT**

The rights and obligations of a party under this Interim Lease may not be assigned or further sublet, or otherwise transferred in whole or in part without the prior written consent of the other party, provided, that Landlord may collaterally assign its rights under this Interim Lease to any lender providing financing for the Facility.

#### **5. SKILLED NURSING FACILITY REGULATIONS**

5.1. During the Lease Term, Licensee shall use commercially reasonable efforts to maintain, for the benefit of Landlord, the SNF License and any other necessary licenses, permits, consents, approvals and certifications from all governmental authorities that have jurisdiction over the ownership and operation of the Facility (other than any material permits or licenses required to be held by any of the commercial tenants under the commercial leases in connection with their respective operations at the Facility), such that the Facility will comply with all applicable and relevant regulations related to skilled nursing facilities in effect from time to time (provided, however, that Licensee shall be excused from taking any action for which Landlord has not provided sufficient sums in accordance with its obligations hereunder).

5.2 Licensee shall not take any action which it knows or has reason to believe will cause, nor will it unreasonably refuse to take any action that Landlord requests in writing that Licensee take at no cost to Licensee (provided, however, that Licensee shall be excused from taking any action for which Landlord has not provided sufficient sums) which it knows or has reason to believe will prevent, any governmental authority having jurisdiction over the ownership and operation of the Facility to institute any proceeding for the suspension, recession or revocation of any necessary license, permit, consent, approval or certification.

#### **6. NOTICE PROVISIONS**

All notices, demands and communications permitted or required to be given hereunder shall be in writing, and shall be delivered (i) personally, (ii) by United States registered or certified mail, postage prepaid, (iii) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (iv) by facsimile or a PDF or similar attachment to an email. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):



To Licensee: HumanGood SoCal  
1900 Huntington Drive  
Duarte, California 91010  
Attention: Dan Ogus and Bethany Ghassemi  
Email: Dan.Ogus@HumanGood.org;  
Bethany.Ghassemi@HumanGood.org

With a copy to: Hanson Bridgett LLP  
425 Market Street, 26th Floor  
San Francisco, CA 94105  
Attention: Jennifer Berland  
Email: jberland@hansonbridgett.com

To Landlord: Ararat Home of Los Angeles, Inc.  
15105 Mission Hills Road  
Mission Hills, CA 91345  
Attention: Derik Ghookasian  
Email: derikg@ararathome.org

With a copy to: Phillips Law Partners, LLP  
707 Wilshire Blvd., Suite 3800  
Attention: George R. Phillips, Jr.  
Email: gphillipsjr@phillipslawpartners.com

Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused), as evidenced by printed confirmation if by facsimile (provided that if any notice or other communication to be delivered by facsimile or email attachment as provided above cannot be transmitted because of a problem affecting the receiving party's computer, the deadline for receiving such notice or other communication shall be extended through the next business day), as shown by the addressee's return receipt if by certified mail, and as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. local time where received or on a non-business day, then such notice or communication so made shall be deemed effective on the first business day after the day of actual delivery. The attorneys for any party hereto shall be entitled to provide any notice that a party desires to provide or is required to provide hereunder.

## 7. INDEMNITY

7.1. Landlord shall indemnify, defend and save Licensee and its members and their respective affiliates, partners, members, managers, successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees, and agents (each, a "Related Person") harmless from and against all actions, causes of action, claims, demands, liabilities, losses, damages, expenses (including without limitation court costs and attorneys' fees and other costs of enforcing this Interim Lease), judgments and amounts asserted against or incurred by them or paid in settlement (collectively, "Liabilities") in connection with (a) the Facility (to the extent such matters arise, and relate to events occurring, from and after the

Effective Date) or (b) any other obligations hereunder, except to the extent arising from Licensee's negligence, intentional fraud or willful misconduct.

7.2 Licensee shall indemnify, defend and hold Landlord and its members and Related Person harmless from any loss, liability or cost (including reasonable attorneys' fees) that Landlord may sustain, incur, or assume as a result of Licensee's breach of its obligations hereunder, except to the extent arising from Landlord's negligence, intentional fraud or willful misconduct.

7.3. Notwithstanding any provisions of this Interim Lease to the contrary, the indemnification obligations set forth herein shall survive the termination of this Interim Lease. Landlord and Licensee, respectively, shall have the right to defend with reputable counsel reasonably satisfactory to the other, and if the obligated party fails to defend any claim, the other may do so at the reasonable cost and expense of, and upon notice to, the other. Any settlement shall be subject to Landlord or Licensee's prior written approval, as the case may be.

7.4 Notwithstanding the above or anything to the contrary contained herein, in the event Landlord takes any action which would cause, or otherwise permit, any suspension or revocation of any licenses, certifications or permits, including the SNF License, held by Licensee, Landlord hereby agrees to indemnify and hold Licensee free and harmless from any loss, liability, or cost (including reasonable attorneys' fees) that Licensee may sustain, incur, or assume as a result thereof.

## 8. OTHER GENERAL PROVISIONS

8.1. Each of the parties hereto agrees to execute and deliver any and all further agreements, documents or instruments necessary to effectuate this Interim Lease or reasonably requested by the other party to perfect or evidence their rights hereunder, provided that no additional cost, obligation or liability is imposed.

8.2. This Interim Lease may not be modified or amended except in writing signed by the parties hereto. No waiver of any term, provision or condition of this Interim Lease in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Interim Lease. No failure to act shall be construed as a waiver of any term, provision, condition or right granted hereunder. In the event one or more non-material terms of this Interim Lease is invalid, illegal or unenforceable under applicable law, the balance of this Interim Lease shall be deemed valid, legal and enforceable.

8.3. Nothing contained herein shall be construed as forming a joint venture or partnership between the parties hereto with respect to the subject matter hereof.

8.4. The section headings contained herein are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

8.5. This Interim Lease may be executed in one or more counterparts and all such counterparts taken together shall constitute a single original instrument.

8.6. This Interim Lease shall be governed in accordance with the laws of the State of California.

8.7 If either Landlord or Licensee brings any suit or other proceeding, including an arbitration proceeding, with respect to the subject matter or the enforcement of this Interim Lease, the prevailing party (as determined by the court, agency, arbitrator or other authority before which such suit or proceeding is commenced), in addition to such other relief as may be awarded, shall be entitled to recover reasonable attorneys' fees, expenses and costs of investigation actually incurred. The foregoing includes attorneys' fees, expenses and costs of investigation (including those incurred in appellate proceedings), costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. The provisions of this Section 8.7 shall survive any termination of this Interim Lease.

8.8 All of the provisions of this Interim Lease shall bind and inure to the benefit of the parties and, subject to the provisions of this Section 8.8, shall inure to the benefit of any lender to whom this Interim Lease has been or will be collaterally assigned by Landlord ("**Lender**"), and any successors and/or assigns of Lender (each, a "**Collateral Assignee Party**"), and upon any such Collateral Assignee Party's (i) succeeding to the interest of Landlord under this Interim Lease in any manner, including but not limited to foreclosure, deed in lieu of foreclosure or similar conveyance, or (ii) obtaining the appointment of a receiver for the benefit of such Collateral Assignee Party, Licensee acknowledges and agrees that (A) this Interim Lease and the obligations of Licensee hereunder shall, at the Collateral Assignee Party's option, remain in full force and effect for the benefit of the Collateral Assignee Party as if such Collateral Assignee Party were the original Landlord's capacity hereunder, and (B) any liability of any such Collateral Assignee Party under the Interim Lease shall be limited to its interest in the Facility.

**IN WITNESS WHEREOF**, the parties hereby execute this Interim Lease as of the Effective Date set forth above.

**LANDLORD:**

Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LICENSEE:**

HumanGood SoCal, a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**

**FORM OF INTERIM MANAGEMENT AGREEMENT**

[Attached]

## **INTERIM MANAGEMENT AGREEMENT**

THIS INTERIM MANAGEMENT AGREEMENT (the "Agreement") is made and entered into as of \_\_\_\_\_, 2022 (the "Effective Date"), by and between HumanGood SoCal, a California non-profit public benefit corporation d/b/a "Windsor" and "Windsor Manor" ("Licensee"), and Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation (the "Manager").

### **RECITAL**

**WHEREAS**, Licensee, as "Seller," and Manager, as "Buyer", are parties to that certain Purchase and Sale Agreement dated May 17, 2022, as amended to date (the "Purchase Agreement"), pursuant to which Licensee is, on the Effective Date, transferring and assigning, and Manager is acquiring, substantially all of the assets of Licensee relating to that certain continuing care retirement community commonly referred to "Windsor Manor" and located at 1230 E. Windsor Road, Glendale, California (the skilled nursing portion of such Facility, together with all of Buyer's right, title and interest in and to the assets being transferred or assigned to Buyer pursuant to the Purchase Agreement, the "Facility"), all as more particularly set forth in the Purchase Agreement;

**WHEREAS**, Licensee is currently licensed under applicable law and regulations to operate the Facility as a Skilled Nursing Facility ("SNF License");

**WHEREAS**, Manager has applied to the California Department of Public Health for a Skilled Nursing Facility License, under which it shall be the named licensee with respect to the Facility;

**WHEREAS**, To assure that a licensed party at all times controls the physical premises of the Facility, Manager and Licensee have entered into an Interim Lease Agreement dated of even date herewith ("Lease"), whereby Manager leases the Facility to Licensee;

**WHEREAS**, Licensee and Manager are entering into this Agreement, pursuant to which Licensee shall engage Manager to manage the Facility for and on behalf of Licensee from and after the Effective Date, subject to the Lease and this Agreement; and

**WHEREAS**, until Manager has obtained a Skilled Nursing Facility License from the California Department of Public Health, Licensee is willing to fulfill the role of licensee of the Facility in conjunction with Manager, subject to the terms of the Lease and this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1**  
**ENGAGEMENT OF MANAGER**

**1.1 Engagement.** During the Term hereof, Licensee hereby engages Manager to perform the management services set forth in this Agreement and in the Lease subject to Licensee's responsibility as specified in Section 1.4. Manager hereby accepts such engagement and hereby agrees to perform its duties hereunder in a commercially reasonable manner. Manager further agrees to apply prudent and reasonable business practices in the performance of its duties hereunder during the Term.

**1.2 Relationship.** Nothing contained in this Agreement is intended to or shall be construed to give rise to or create a partnership, employment, or joint venture relationship between Licensee and Manager. No act, commission, or omission by Licensee or Manager shall be construed to make or constitute the other as partner, employee, principal, agent, or joint venture.

**1.3 Grant of Day-to-Day Management Authority.** Subject to Section 1.4, hereunder, Manager shall have full responsibility for managing the operation of the Facility and hereby agrees and covenants to assume and discharge all responsibilities related to the Facility and the Licensee which accrue during or subsequent to the Term in connection with properly operating and maintaining the Facility in accordance with the regulations and standards required of a facility so licensed, including, but not limited to the services listed in Article 2 hereof.

**1.4 Ultimate Authority and Responsibility.** Licensee, as the holder of the SNF License, retains ultimate statutory authority and shall have the on-going statutory and regulatory responsibility for the continued operation of the Facility, in accordance with applicable law which cannot be legally delegated by Licensee to the Manager. Without limitation, Licensee does not engage Manager to perform, and Licensee, as the licensee of the Facility, retains ultimate responsibility for any activity or duty which requires a license or other governmental authorization. Notwithstanding the statutory liability and responsibility of Licensee for the continued operation of the Facility, it is recognized that under this Agreement, the Manager shall be actually in day-to-day charge of managing the operation and maintenance of the Facility and of patient care and of patients' funds in accordance with the terms of this Agreement. In the event that any violation of any statute, law, regulation, or obligation or claim is made, for any reason by any person or entity, arising from or applicable to the management of the Facility by Manager during or after the Term, that would reasonably be expected to result in the imposition of penalties, fines, court or administrative orders, litigation, including third party and governmental claims, or license revocation or decertification as to the Facility or as to Licensee, Manager shall (i) immediately notify Licensee of any such event, and (ii) take all actions reasonably necessary to protect, defend, and hold harmless the Licensee, and its officers, directors, shareholders, and employees, including but not limited to the contesting of any such actions against the Licensee and the Facility at the sole cost of Manager, whether administrative or court proceedings. Licensee retains the right, at Licensee's expense, to join Manager in contesting said action(s) upon providing Manager with such notice.

**ARTICLE 2**  
**SERVICES TO BE RENDERED BY MANAGER; COVENANTS**

**2.1 General Responsibilities and Services.** Manager shall perform the services described in this Article 2 and all related functions, as Manager shall determine to be reasonably necessary for the effective management of the Facility. Without limitation of the foregoing, and except as may be limited by other provisions of this Agreement or the Purchase Agreement, Manager shall provide and perform the following services during the Term:

(i) Provide and maintain directly, or indirectly through others, accounting, billing, patient, resident, and collection records on behalf of Licensee; prepare and file on behalf of Licensee's insurance, Medicare and Medicaid (as applicable), and any and all necessary or appropriate reports, claims, and rate increase requests (collectively "Reports") related to goods sold or services provided by the Facility during the Term. Licensee acknowledges that it will be required to sign and file certain of the Reports and agrees to promptly do so.

(ii) On behalf of Licensee, issue bills for services and materials furnished by the Facility on and after the Effective Date, issue and re-issue bills for unpaid services and materials furnished by the Facility before the Effective Date, supervise directly and through others the collection of accounts and monies owed to the Facility for goods sold or services rendered by the Facility on and after the Effective Date, including the institution of legal proceedings in the name of the Facility to collect such accounts and to enforce the rights of the Facility as creditors under any contract or in connection with the rendering of such services and the sale of such goods. The collection of accounts and monies owed to the Facility for goods sold or services rendered by the Facility before the Effective Date shall be governed by Sections 2.3 and 2.4 of this Agreement, except as otherwise provided in the Purchase Agreement, in which case the applicable provisions of the Purchase Agreement shall prevail.

(iii) Order, supervise, and conduct an effective program of regular housekeeping, maintenance, and repair at the Facility.

(iv) Purchase and maintain an adequate inventory of supplies reasonably anticipated to be used in the operations of the Facility. Such supplies shall include, but not be limited to, raw food and dietary supplies; nursing and pharmaceutical supplies; housekeeping and laundry supplies; office supplies; and supplies necessary for repair and maintenance of plant and equipment.

(v) Engage in such marketing activities with respect to the Facility as Manager deems to be appropriate in connection with the operation thereof.

(vi) Supervise and provide for the operation of dietary services facilities.



(vii) Coordinate directly and through others the orderly payment of bills, accounts payable, lease payments, employee payroll, taxes, insurance premiums, and other debts of the Facility, all as more fully described at Section 2.3 of this Agreement.

(viii) Obtain and maintain at Manager's expense insurance coverage for the Facility and the personnel engaged in the operation of the Facility.

(ix) Establish and maintain charts of accounts, accounting systems, and internal controls, using accounts, classifications, and procedures.

(x) Prepare and promptly file, within any time limitations set forth under applicable laws, with the appropriate governmental authority or appropriate other third party payor, as applicable, all Medicare and Medicaid, as applicable, cost reports for the Facility as may be required by any appropriate governmental authority during the Term. Licensee acknowledges that it will be required to sign the above-referenced cost reports, and agrees to promptly do so.

## 2.2 **Reserved.**

2.3 **Financial Obligations.** Without limitation of any rights arising under the Purchase Agreement and during the Term, Manager shall have responsibility for the financial obligations of the Facility and its operations. The payment of all expenses, utilities, and other costs associated with the Facility and its operations, and the right to receive all rental, resident occupancy fees, and other cash-flow income from the Facility and its operations with respect to the periods prior to and after the Effective Date shall be prorated and allocated between Licensee and Manager in accordance with the Purchase Agreement. Manager will pay in the ordinary course of business the bills, invoices, and costs that are incurred in connection with the operation of the Facility during the Term.

2.4 **Billing and Collection.** Manager shall be responsible for performing the billing, coding, and collection of fees associated with the Facility on behalf of Licensee. Licensee will cooperate with Manager in such activities and execute all documents reasonably required by Manager to perform such activities in compliance with applicable laws.

2.5 **Eligibility for Reimbursement/Correction of Deficiencies.** At its expense during the Term, Manager shall comply with all requirements of any applicable governmental authority in order to maintain eligibility of the Facility and its operations for payments and reimbursements from government insurers (including Medicare) or private insurers or third party payors; it being understood and agreed that as of the Effective Date, the Facility is not licensed in the name of Manager. Except with respect to the implementation of any existing plan of correction, Manager shall not be responsible for any certification deficiencies or state licensure violations affecting the Facility that relate to events or activities occurring or accruing before the Effective Date. Commencing as of the Effective Date, Manager shall be responsible at Manager's expense for the correction of any certification deficiencies or state licensure violations affecting the Facility that arise

on and after the Effective Date and relate to events or activities occurring or accruing on or after the Effective Date.

## **2.6 Manager's Representations and Covenants.**

(i) Manager shall comply in all material respects with all statutes, rules and regulations of governmental authorities applicable to Manager's management of the operations of the Facility.

(ii) Manager agrees and covenants that it shall manage the Facility so as to provide compliance with the Lease and in accordance with applicable industry standards and standards of care. Manager shall use commercially reasonable efforts to avoid any citations or complaints against the Facility or Licensee's license by any governmental authority or any resident representative with regard to resident care or the operation and maintenance of the Facility.

(iii) Manager shall diligently pursue the new Skilled Nursing Facility License and shall provide reports of its application progress to Licensee promptly upon request.

## **ARTICLE 3** **LICENSEE'S RESPONSIBILITIES**

**3.1 Cooperation with Manager.** At no cost to Licensee, Licensee shall timely cooperate with Manager to assist and facilitate performance of Manager's management responsibilities under this Agreement.

**3.2 Responsibilities of Licensee.** During the Term, Licensee shall be solely responsible for (i) maintaining ultimate authority and responsibility for all aspects of operation of the Facility, to the extent required by licensing, certification, accreditation and other applicable requirements; and (ii) maintaining all state and federal licenses, permits, certifications, and approvals required in connection with the management and operation of the Facility.

**3.3 Data and Information.** Licensee shall timely provide to Manager, without charge, such necessary and relevant data and information in the possession of Licensee as Manager shall reasonably require or request in order to enable it to perform its duties under this Agreement, subject to applicable laws and confidentiality obligations.

**3.4 Notification of Complaints.** During the Term, Licensee shall promptly notify Manager of any inquiry, notice, or claim of which Licensee is or becomes aware alleging any deficiency or violation of any law, ordinance, or regulation relating to the Facility or the provision of the services on or after the Effective Date. Licensee shall also notify Manager of any claims or complaints by patients, residents, providers, employees, or independent contractors pertaining to the operation of the Facility or the use of the assets

of the Facility that could reasonably be expected either to damage the reputation of Manager or its affiliates or to subject Manager or its affiliates to any potential liability.

**3.5 Permits.** To the extent permitted by law, Licensee shall allow Manager to perform, and shall timely assist Manager upon request in the performance of, its management responsibilities under this Agreement, and Licensee shall further allow Manager to manage the Facility under all permits, licenses, or certificates held in the name of Licensee and which are necessary to operate the Facility as Licensee's agents and attorneys-in-fact.

#### **ARTICLE 4 COMPENSATION**

Except for reimbursement of any expenses pursuant to this Agreement, which shall be reimbursed as a facility expense from the operations of the Facility, Manager shall not be entitled to any other fees or other compensation for its services under this Agreement. To the fullest extent permitted under applicable law, Licensee shall retain no right, title, or interest in or to the Facility revenues and, to the fullest extent permitted under applicable law, hereby waives and disclaims any such right, title, and interest. The parties acknowledge and agree that Manager shall be responsible for the payment of operating expenses of the Facility incurred from and after the effective date of this Agreement.

#### **ARTICLE 5 TERM**

**5.1 Term.** This Agreement shall commence on the Effective Date and shall end and terminate on the effective date of the new Skilled Nursing Facility License as issued to Manager and/or the effective date of termination of the Lease (the "Term").

#### **ARTICLE 6 INDEMNITY**

**6.1 By Manager.** Manager shall indemnify, protect, defend, and hold Licensees harmless from and against any and all claims, suits, demands, liability, damages, and expenses, including reasonable attorneys' fees and costs, to the extent arising from or in connection with Manager's management of the operation of the Facility on or after the Effective Date, negligent acts or omissions, willful misconduct, or breach of this Agreement.

**6.2 By Licensee.** Licensee shall indemnify, protect, defend, and hold Manager harmless from and against any and all claims, suits, demands, liability, damages, and expenses, including reasonable attorneys' fees and costs, to the extent arising from or in connection with Licensee's negligence or willful misconduct, or breach of this Agreement.

**6.3. Process.** If any action or proceeding is brought against a party indemnified under this Article 6 in connection with any claims, suits, demands, liability, damages, and expenses for which such party is indemnified hereunder (collectively, "Indemnified Claims"), upon notice from such party, the indemnifying party shall defend the same at the indemnifying party's expense with counsel reasonable acceptable to the indemnified party. The Indemnification obligations under this Article 6 shall survive the termination of this Agreement.

## **ARTICLE 7 REPRESENTATIONS AND WARRANTIES**

**7.1 Licensee.** Licensee represents and warrants to Manager as of the Effective Date that Licensee has all necessary power and authority to enter into this Agreement, and all necessary action has been taken to authorize the individuals executing this Agreement on Licensee's behalf to do so. During the term of this Agreement, Licensee further warrants that it will not revoke any of the state and federal licenses, permits, certifications, and approvals from governmental authorities that have jurisdiction over the Facility's licensure and operation that are required to be held by Licensee, including the SNF License, until the date Manager obtains the permits, certifications and approvals from governmental authorities needed to operate the Facility as a skilled nursing facility. This Agreement has been duly and validly executed and delivered by Licensee and is enforceable against Licensee in accordance with its terms. In addition to the foregoing provisions of this Section 7.1, the Representations and Warranties applicable to Licensee under the Purchase Agreement are incorporated herein by this reference and made a part of this Agreement.

**7.2 Manager.** Manager represents and warrants to Licensee as of the Effective Date that Manager has all necessary power and authority to enter into this Agreement, and all necessary action has been taken to authorize the individuals executing this Agreement on Manager's behalf to do so and that Manager is in good standing in the State of California. This Agreement has been duly and validly executed and delivered by Manager and is enforceable against Manager in accordance with its terms.

## **ARTICLE 8 PATIENT/RESIDENT RECORDS**

All medical records shall be maintained in accordance with the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and all regulations promulgated therewith (collectively, "HIPAA") and any other applicable laws. Upon execution of this Agreement, Manager and Licensee will enter into a business associate addendum to this Agreement, in the form attached hereto as Exhibit A.

## **ARTICLE 9 MISCELLANEOUS**

**9.1 Assignment.** Neither party may transfer or assign any of its rights or obligations under this Agreement without the prior written consent of the other party, and any such transfer or assignment or attempt thereat shall be null and void and of no force and effect. It is understood, however, that Manager may subcontract certain functions of Manager hereunder to entities that Manager reasonably believes are capable of performing such functions, including to entities affiliated with Manager.

**9.2 Governing Law.** This Agreement will be governed by and construed in accordance with the law of the State of California (without regard to its principles of conflicts of laws).

**9.3 Notice.** Any notice hereunder shall be in writing and hand delivered or sent by a nationally recognized overnight courier service, addressed to the parties at their respective addresses set forth below:

**If to the Manager:**

Ararat Home of Los Angeles, Inc.  
15105 Mission Hills Road  
Mission Hills, CA 91345  
Attention: Derik Ghookasian  
Email: derikg@ararathome.org

**If to the Licensee:**

HumanGood SoCal  
1900 Huntington Drive  
Duarte, California 91010  
Attention: Dan Ogus and Bethany Ghassemi  
Email: Dan.Ogus@HumanGood.org;  
Bethany.Ghassemi@HumanGood.org

Any such notice shall be deemed effective (i) if delivered personally, upon receipt or refusal of delivery, (ii) if mailed by registered or certified mail (postage prepaid, return-receipt requested), four business days after deposit with the U.S. Postal Service, (iii) if delivered via a nationally recognized overnight courier, upon deposit with such overnight courier, and (iv) if sent by electronic transmission (email), one business day after such electronic transmission. Either party may change its address for notice by giving notice as provided hereunder.

**9.4 Execution and Counterparts.** This Agreement may be executed in any number of counterparts. It is not necessary that both parties sign all or any of the counterparts, but each party must sign at least one counterpart for this Agreement to be effective.

**9.5 Amendment.** This Agreement may be amended only by an instrument in writing signed by the parties hereto. The parties agree to confer promptly and in good faith in order to amend this Agreement if required by any local, state, or federal law or regulation or any interpretation thereof by an agency having jurisdiction over the Facility.

**9.6 Waiver.** A failure or delay by either party in exercising any of its rights or remedies under this Agreement is not a waiver of those rights or remedies and does not otherwise diminish or affect any such right or remedy. A waiver by either party of any right or remedy under this Agreement is effective only to the extent that it is expressed in writing and signed by the party waiving its right or remedy.

**9.7 Entire Agreement.** This Agreement, Lease and the Purchase Agreement contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior understandings and agreements, whether written or oral, and all prior dealings of the parties with respect to such subject matter. In the event that any provision of this Agreement or the Lease conflicts with a provision of the Purchase Agreement, the provision of the Purchase Agreement prevails.

**9.8 Severability.** If any provision of this Agreement or the application of any such provision in any person or circumstance is held invalid, the remainder of this Agreement, and the application of such provision other than to the extent it is held invalid shall not be invalidated or affected thereby.

**9.9 Confidentiality.** Each party hereto covenants and agrees that it shall not disclose the terms of this Agreement or any agreement supplementing this Agreement to third parties, except as and to the extent disclosure is required by law, or required for the performance of its obligations hereunder or under related agreements, or as necessary or appropriate in dealing with the accountants, attorneys, and other representatives of the respective parties and/or as necessary to complete the transactions contemplated hereunder and/or under the Purchase Agreement.

**[Signatures Appear on Next Page]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective as of the Effective Date.

**MANAGER:**

Ararat Home of Los Angeles, Inc.,  
a California non-profit public benefit  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LICENSEE:**

HumanGood SoCal,  
a California non-profit public benefit  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### BUSINESS ASSOCIATE PRIVACY ADDENDUM

This Business Associate Privacy Addendum (the "Addendum") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2022, by and between HumanGood SoCal, a California non-profit public benefit corporation (the "Covered Entity") and Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation (the "Business Associate") (each a "Party" and collectively the "Parties").

**WHEREAS**, Covered Entity and Business Associate have contemporaneously entered into an Interim Management Agreement under which Business Associate provides certain management services to Covered Entity (the "Agreement"); and

**WHEREAS**, in providing services pursuant to the Agreement, Business Associate will have access to Protected Health Information ("PHI") (as defined below); and

**WHEREAS**, the services provided by Business Associate to Covered Entity cause Business Associate to be considered a "business associate" under the privacy and security regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in 45 C.F.R. Parts 160 and 164, and as amended by the Health Information Technology for Economic and Clinical Health Act (the "HIPAA Privacy Rule" and the "HIPAA Security Rule"); and

**WHEREAS**, Covered Entity and Business Associate desire to modify the Agreement to include certain provisions required by the HIPAA Privacy Rule and the HIPAA Security Rule.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein and the continued provision of PHI by Covered Entity to Business Associate under the Agreement in reliance on this Addendum, the Parties agree as follows:

1. **Definitions.** For purposes of this Addendum, the terms below shall have the meanings given to them in this Section.
  - (a) "Breach" shall mean the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of the PHI, as defined in 45 C.F.R. § 164.402.
  - (b) "Data Aggregation" shall mean, with respect to PHI created or received by Business Associate in its capacity as the business associate of Covered Entity, the combining of such PHI by Business Associate with the PHI received by Business Associate in its capacity as business associate of other covered entities, to permit data analyses that relate to the Health Care Operations (defined below) of Covered Entity. The meaning of "data aggregation" in this Addendum shall be consistent with the meaning given to that term in the HIPAA Privacy Rule.
  - (c) "Designated Record Set" shall mean a group of Records maintained by or for the Covered Entity that: (a) consists of medical records and billing records about



individuals maintained by or for the Covered Entity; (b) consists of the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (c) consists of Records used, in whole or part, by or for the Covered Entity to make decisions about individual patients. As used herein, the term "Record" shall mean any item, collection or grouping of information that includes PHI and is maintained, collected, used or disseminated by or for a provider. The term "designated record set," however, shall not include any information in the possession of Business Associate that is the same as information in the possession of Covered Entity (information shall be considered the same information even if the information is held in a different format, medium or presentation or it has been standardized).

- (d) "De-Identify" shall mean to alter the PHI such that the resulting information meets the requirements described in 45 C.F.R. § 164.514(a) and (b).
- (e) "Electronic PHI" shall mean any PHI maintained in or transmitted by electronic media as defined in 45 C.F.R. § 160.103.
- (f) "Health Care Operations" shall have the meaning given to that term at 45 C.F.R. § 164.501.
- (g) "HHS" shall mean the U.S. Department of Health and Human Services.
- (h) "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.
- (i) "Protected Health Information" or "PHI" shall mean information transmitted or maintained in any form or medium, including demographic information collected from an individual, that
  - (i) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and
  - (ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual, and (a) identifies the individual or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

The meaning of "protected health information" or "PHI" in this Addendum shall be consistent with the meaning given to that term in the HIPAA Privacy Rule.

- (j) "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. This term shall not include trivial incidents that occur on a daily basis, such as scans, "pings," or unsuccessful

attempts to penetrate computer networks or servers maintained by Business Associate.

- (k) "Subcontractor" shall mean a person to whom Business Associate delegate a function, activity, or service, other than in the capacity of a member of Business Associate' workforce, as defined in 45 C.F.R. § 160.103.
- (l) "Unsecured PHI" shall mean PHI that has not been rendered unusable, unreadable, or indecipherable to unauthorized individuals under standards published by the Secretary of HHS under Section 13402(h)(2) of the HITECH Act.

## 2. **Use and Disclosure of PHI.**

- (a) Except as otherwise provided in this Addendum, Business Associate may use or disclose PHI as reasonably necessary to provide the services described in the Agreement to the Covered Entity, and to undertake other activities of Business Associate permitted or required of Business Associate by this Addendum or as required by law.
- (b) Except as otherwise limited by this Addendum, Covered Entity authorizes Business Associate to use the PHI in its possession for the proper management and administration of Business Associate's business and to carry out its legal responsibilities. Business Associate may disclose PHI for its proper management and administration, provided that (i) such disclosures are required by law; or (ii) Business Associate obtains, in writing, prior to making any disclosure to a third party (a) reasonable assurances from such third party that the PHI will be held confidential as provided under this Addendum and used or further disclosed only as required by law or for the purpose for which it was disclosed to such third party; and (b) an agreement from such third party to notify Business Associate immediately of any breaches of the confidentiality of the PHI, to the extent it has knowledge of such breach.
- (c) Covered Entity authorize Business Associate to De-Identify the PHI.
- (d) Business Associate shall not use or disclose PHI in a manner other than as provided in this Addendum, as permitted under the HIPAA Privacy Rule, or as required by law. Business Associate shall use or disclose only the minimum necessary amount of PHI, in accordance with Section 13405(b) the HITECH Act, or any implementing regulations adopted thereunder for each use or disclosure of PHI hereunder.
- (e) Upon request, Business Associate shall make available to Covered Entity any of Covered Entity's PHI that Business Associate, or any of its Subcontractors, has in its possession.

## 3. **Compliance with HIPAA Privacy Rule.** To the extent that Business Associate carries out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164,

Business Associate must comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.

4. **Safeguards Against Misuse of PHI.** Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than as provided by the Agreement or this Addendum; and Business Associate agrees to comply with Subpart C of 45 C.F.R. Part 164 and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity. Business Associate agrees to take reasonable steps to ensure that the actions or omissions of its employees or agents do not cause Business Associate to breach the terms of this Addendum.
5. **Reporting Disclosures of PHI and Security Incidents.** Business Associate shall report to Covered Entity in writing any use or disclosure of PHI not provided for by this Addendum of which it becomes aware; and Business Associate agrees to report to Covered Entity any Security Incident affecting Electronic PHI of Covered Entity of which it becomes aware. Business Associate agrees to report any such event within ten (10) business days of becoming aware of the event.
6. **Reporting Breaches of PHI.** Business Associate shall notify Covered Entity in writing promptly upon the discovery of any Breach of Unsecured PHI in accordance with 45 C.F.R. § 164.410, but in no case later than 30 calendar days after discovery. Business Associate will reimburse Covered Entity for any reasonable costs incurred by it in complying with the requirements of 45 C.F.R. §164.410 imposed on Covered Entity as a result of a Breach committed by Business Associate or its Subcontractors.
7. **Mitigation of Disclosures of PHI.** Business Associate shall take reasonable measures to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its Subcontractors in violation of the requirements of this Addendum.
8. **Agreements with Subcontractors.** Business Associate shall ensure that any of its Subcontractors that have access to or to which Business Associate provide PHI agrees in writing to the restrictions and conditions concerning uses and disclosures of PHI contained herein and agrees to implement reasonable and appropriate safeguards to protect any Electronic PHI that it creates, receives, maintains or transmits on behalf of Business Associate or Covered Entity.
9. **Access to PHI by Individuals.**
  - (a) Upon request, except for PHI that duplicates PHI in the possession of Covered Entity, Business Associate agrees to furnish Covered Entity with copies of the PHI maintained by Business Associate in a Designated Record Set in the time and manner reasonably designated by Covered Entity.
  - (b) In the event any individual or personal representative requests access to the individual's PHI directly from Business Associate, Business Associate within ten

(10) business days, shall forward that request to Covered Entity. Any disclosure of, or decision not to disclose, the PHI requested by an individual or a personal representative and compliance with the requirements applicable to an individual's right to obtain access to PHI shall be the sole responsibility of the Covered Entity.

**10. Amendment of PHI.**

- (a) Upon request and instruction from Covered Entity, Business Associate shall amend PHI or a Record about an individual in a Designated Record Set that is maintained by, or otherwise within the possession of, Business Associate as directed by Covered Entity in accordance with procedures established by 45 C.F.R. § 164.526. Any request by Covered Entity to amend such information shall be completed by Business Associate within fifteen (15) business days of Covered Entity's request.
- (b) In the event that any individual requests that Business Associate amend such individual's PHI or Record in a Designated Record Set, Business Associate within ten (10) business days, shall forward such request to Covered Entity. Any amendment of, or decision not to amend, the PHI or Record as requested by an individual and in compliance with the requirements applicable to an individual's right to request an amendment of PHI shall be the sole responsibility of the Covered Entity.

**11. Accounting of Disclosures.**

- (a) Business Associate shall document any disclosures of PHI made by it, except for disclosures relating to treatment, payment, or health care operations or other disclosures excepted under 45 C.F.R. § 164.528(a). Business Associate also shall make available information related to such disclosures as would be required for Covered Entity to respond to a request for an accounting of disclosures in accordance with 45 C.F.R. § 164.528. At a minimum, Business Associate shall furnish Covered Entity the following with respect to any covered disclosures by Business Associate: (i) the date of disclosure of PHI; (ii) the name of the entity or person who received PHI, and, if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure which includes the basis for such disclosure.
- (b) Business Associate hereby agrees to implement an appropriate recordkeeping system to enable it to comply with the requirements of this Section. Business Associate agrees to retain such records for a minimum of six (6) years.
- (c) Business Associate shall furnish to Covered Entity information collected in accordance with this Section, within ten (10) days after written request by the Covered Entity, to permit Covered Entity to make an accounting of disclosures as required by 45 C.F.R. § 164.528, or in the event that Covered Entity elects to provide an individual with a list of its business associates, Business Associate will provide an accounting of its disclosures of PHI upon request of the individual, if

and to the extent that such accounting is required under Section 13405(c) of the HITECH Act or any implementing regulations adopted thereunder.

- (d) In the event an individual delivers the request for an accounting directly to Business Associate, Business Associate shall within ten (10) days forward such request to Covered Entity.

12. **Availability of Books and Records.** Business Associate shall make available its internal practices, books, agreements, records, and policies and procedures relating to the use and disclosure of PHI, upon request, to the Secretary of HHS for purposes of determining Covered Entity's compliance with the HIPAA Privacy Rule, the HIPAA Security Rule, and this Addendum.

13. **Term and Termination.**

- (a) This Addendum shall become effective on the Effective Date, as defined in the Agreement, and shall continue in effect until all obligations of the Parties have been met under the Agreement and under this Addendum.
- (b) Covered Entity may terminate immediately this Addendum if the Covered Entity reasonably determines that the Business Associate has breached a material term of this Addendum and Business Associate has failed to cure that material breach, to Covered Entity's reasonable satisfaction, within thirty (30) days after written notice from Covered Entity.
- (c) Upon termination of the Agreement or this Addendum for any reason other than Manager having assumed operations of the Facility as contemplated under the Purchase Agreement (as defined in the Agreement), all PHI of Covered Entity maintained by Business Associate shall be returned to Covered Entity or destroyed by Business Associate. Business Associate shall not retain any copies of such information. This provision shall apply to PHI of Covered Entity in the possession of Business Associate's Subcontractors. The foregoing notwithstanding, if return or destruction of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate shall furnish Covered Entity with notification, in writing, of the conditions that make return or destruction infeasible, and Business Associate will extend the protections of this Addendum to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. This Section 13(c) shall survive any termination of this Addendum.
- (d) Upon Business Associate having assumed operations of the Facility as contemplated under the Purchase Agreement (as defined in the Agreement), the Business Associate shall become the Covered Entity and shall maintain all PHI in accordance with applicable law.

14. **Effect of Addendum.**

- (a) This Addendum is a part of and subject to the terms of the Agreement, except that to the extent any terms of this Addendum conflict with any term of the Agreement, the terms of this Addendum shall govern.
- (b) Except as expressly stated herein or as provided by law, this Addendum shall not create any rights in favor of any third party.

15. **Regulatory References.** A reference in this Addendum to a section in the HIPAA Privacy Rule or HIPAA Security Rule means the section as in effect or as amended.

16. **Notices.** All notices, requests, and demands or other communications to be given hereunder to a Party shall be made to the addresses identified in, and in accordance with the procedure, set forth in Section 9.3 of the Agreement.

17. **Amendments; Waiver.** This Addendum may not be modified, nor shall any provision be waived or amended, except in writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

18. **HITECH Act Compliance.** The Parties acknowledge that the HITECH Act includes significant changes to the HIPAA Privacy Rule and the HIPAA Security Rule. The Privacy Subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under the HIPAA Regulations and many of these changes will be clarified in forthcoming regulations and guidance. Each Party agrees to comply with the applicable provisions of the HITECH Act and any implementing regulations issued thereunder. Also, the Parties agree to negotiate in good faith to modify this Agreement as reasonably necessary to comply with the HITECH Act and its implementing regulations as they become effective; provided, however, that if the Parties are unable to reach agreement on such a modification, either Party shall have the right to terminate this Addendum upon thirty (30) days prior written notice to the other Party.

In Witness Whereof, this Addendum is executed by the Parties effective as of the Effective Date, as defined in the Agreement.

**BUSINESS ASSOCIATE:**

HumanGood SoCal, a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COVERED ENTITY:**

Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**

**FORM OF OPERATIONS TRANSFER AGREEMENT**

[Attached]



## OPERATIONS TRANSFER AGREEMENT

THIS OPERATIONS TRANSFER AGREEMENT (this “Agreement”) is made and entered into as of [ ● ], 2022 (the “Effective Date”), by and among HumanGood SoCal, a California non-profit public benefit corporation d/b/a “Windsor” and “Windsor Manor” (“Transferor”), and Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation (“Transferee”) (each of Transferor and Transferee being a “Party” and, collectively, the “Parties”), with respect to the following:

### RECITALS

A. Transferor is the owner and licensed operator of that certain continuing care retirement community commonly referred to as “Windsor” and “Windsor Manor” and located at 1230 E. Windsor Road, Glendale, California (the “Facility”). The Facility includes independent living residences and assisted living that are licensed Residential Care Facility for the Elderly (the “RCFE Premises”) and a licensed Skilled Nursing Facility (the “SNF Premises”).

B. Transferor, as Seller, and Transferee, as Purchaser, are parties to that certain Purchase and Sale Agreement dated May 17, 2022 (as the same may hereinafter be amended or modified from time to time, the “PSA”), pursuant to which Transferor has agreed, upon and subject to the terms and conditions of such agreement, to transfer to Transferee all of its right, title and interest in and to certain properties and assets used in connection with the Facility, as of the “Closing Date” (as defined in the PSA).

C. Effective as of the Closing Date Transferee will become the new licensed operator of the RCFE Premises.

D. Transferee has applied for a skilled nursing facility license from the California Department of Public Health (“CDPH”) and Medicare and Medi-Cal certification from the applicable state and federal governmental authorities to operate the SNF Premises (the “License Approvals”).

E. To assure that a licensed party at all times controls the physical premises of the SNF Premises while CDPH processes Transferee’s skilled nursing facility license application, Transferor and Transferee have entered into an Interim Lease effective as of the Closing Date whereby Transferee has agreed to sublease its interest in the SNF Premises back to Transferor pursuant to the terms of the Interim Lease and subject to the agreement of Transferor to engage Transferee to manage the SNF Premises on an interim basis on behalf of Transferor pursuant to that certain Interim Management Agreement effective on the Closing date, pending issuance of the SNF License to Transferee by CDPH. The Interim Lease and Interim Management Agreement (collectively, the “Interim Agreements”) will terminate on the OTA Closing Date, which is the date that CDPH issues Transferee a new skilled nursing facility license for the SNF Premises.

F. In order to facilitate a transition of operational and financial responsibility from Transferor to Transferee in a manner which will ensure the continued operation of the SNF Premises after the Closing Date in compliance with applicable law and in a manner which does not jeopardize the health and welfare of the residents of the SNF Premises, Transferor and Transferee are desirous of documenting the terms and conditions on which Transferee will manage

the SNF Premises for Transferor on and after the Closing Date and certain other terms and conditions relevant to the transition of operational and financial responsibility from Transferor to Transferee.

## AGREEMENT

IN CONSIDERATION OF the foregoing recitals, the mutual promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. Transfer of Property; Excluded Assets.

(a) Inventory. Transferor shall transfer and convey to Transferee on the Closing Date, to the extent legally assignable, all of its right, title and interest in and to the consumable inventories of every kind and nature whatsoever located on or about the SNF Premises and used or held for use in connection with the operation of the SNF Premises (the “Inventory”).

(b) Personal Property. Transferor shall transfer and convey to Transferee on the Closing Date, to the extent legally assignable, all of its right, title and interest in and to the Personal Property and Vehicles described in the PSA.

(c) Permits. Transferor shall transfer and convey to Transferee as of the Closing Date, to the extent legally assignable, all of its right, title and interest in and to the Permits described in the PSA, it being understood and agreed that the Permits shall specifically exclude any state issued regulatory permits, certificates, licenses and authorizations that are not transferable by law, regulation or ordinance.

(d) Excluded Assets. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the transactions contemplated by this Agreement shall exclude the Excluded Assets (as defined in the PSA) and in no event shall Transferor be required to convey to Transferee or to any other person any Excluded Assets.

(e) Delivery of Possession. On the Closing Date, Transferor shall deliver possession of its Inventory, the Personal Property, and the Permits for the SNF Premises to Transferee (at the SNF Premises, in the case of tangible property).

(f) “As Is, Where Is” Transfer. Except as specifically set forth in this PSA, the Inventory, the Personal Property, the Vehicles and the Permits are being conveyed in their “as is, where is” condition.

(g) Bill of Sale and General Assignment. On the Closing Date, Transferor shall execute a Bill of Sale and General Assignment substantially in the form annexed as Exhibit A hereto to evidence the conveyance by Transferor of its Inventory, the Personal Property and the Permits to Transferee.

2. Employees.

(a) Employees Interviews. At any time during the thirty (30) day period prior to the anticipated Closing Date, upon prior notice to Transferor and in consultation with Transferor and as otherwise provided in the PSA, Transferee may conduct interviews of individuals employed at the Facility (collectively, "Employees"); and prior to the Closing Date, Transferee shall make offers of employment to the Employees in accordance with the terms of the PSA. Transferee shall coordinate with Transferor prior to making any disclosures of its hire/no hire decisions or making offers of employment to any such Employees.

(b) Accrued Employee Benefits. Transferor shall pay out the Accrued Employee Benefits to all of the hired Employees, on or before the next regularly scheduled payroll date following the Closing Date or at such earlier time as required by (and otherwise in accordance with) applicable law, in accordance with Transferor's standard policies in effect prior to the Closing Date.

3. Residency Agreements; Operating/Lease Contracts; Records.

(a) Residency Agreements. Effective on the OTA Closing Date, Transferor shall assign to Transferee and Transferor shall assume the residency agreements (the "Residency Agreements") for the then-current residents (the "Residents") of the SNF Premises. Transferor shall remain responsible for the obligations of Transferor arising under the Residency Agreements prior to the OTA Closing Date.

(b) Operating/Lease Contracts. In accordance with the terms of the PSA, Transferor shall assign to Transferee the service or equipment contracts or leases with certain third-party vendors that provide goods or services to the Facility, including the SNF Premises, designated by Transferee to the extent assignable (the "Operating Contracts"). Transferor shall be responsible for the obligations of Transferor arising under the Operating Contracts that are not assigned. Transferee shall be responsible for the obligations under the assigned Operating Contracts. On the Closing Date, all vendor or service arrangements for the benefit of multiple senior living communities of Seller or its affiliates, including the Facility and other communities owned, leased or managed by Seller or its affiliates, including, without limitation, any national or regional contracts and/or leases negotiated by Transferor or its affiliates (the "National Contracts") will cease providing goods or services to the Facility and Transferee will be responsible for establishing new relationships with vendors for these goods and services.

(c) Assignment and Assumption Agreement. On the OTA Closing Date, Transferor and Transferee shall execute an Assignment and Assumption Agreement with respect to the Residency Agreements substantially in the form annexed as Exhibit B hereto.

(d) Records. On the Closing Date, Transferor shall deliver possession to Transferee of (i) copies of the employee records which relate exclusively to the SNF Premises and are necessary for the continued operation of the SNF Premises; (ii) all of the records or written documents physically located at the SNF Premises and relating to current Residents of the SNF Premises, in the form in which such records or written documents are currently held; and (iii) any

active sales leads solely for the SNF Premises, and the lead sources related thereto, in the format in which such sales leads and lead source are currently maintained for the SNF Premises.

4. Medicare, Medi-Cal and Managed Care Agreements

(a) Medicare/Medi-Cal/Managed Care Agreements.

(i) Schedule I lists Transferor's Medicare and Medi-Cal provider numbers that pertains to the SNF Premises, Schedule II sets forth a list of the contracts between Transferor and managed care organizations that pertain to the SNF Premises (collectively, the "Medicare MCO Contracts").

(ii) Assignment and Assumption. To the extent permitted by applicable law, Transferor transfers, assigns, conveys and delivers to Transferee, and Transferee acquires and accepts from Transferor, all of Transferor's right, title and interest in Transferor's Medicare Provider Agreement (the "Medicare Assets"), provided that the parties recognize that this Agreement is not enforceable against the Centers for Medicare and Medicaid Services ("CMS") with respect to the imposition by CMS of any successor liability under applicable laws and CMS regulations. Transferee will be solely responsible pursuant to applicable law for the assigned Medicare Assets.

(iii) On the Closing Date, Transferor shall deliver to each managed care organization that is a party to a Medicare MCO Contract written notice of the transfer of the operations of the SNF Premises (including, without limitation, all billing related to the care rendered to the Residents thereof) from Transferor to Transferee. From and after the Closing Date, Transferee shall (x) perform all of the obligations that are to be performed by the operator and manager of the SNF Premises under the MCO Contracts or the Replacement MCO Contracts (as defined below) and that first arise from and after the Closing Date and (y) at Transferee's sole cost and expense, diligently pursue and use commercially reasonable efforts to cause each managed care organization to enter into a new contract with Transferee (each such replacement contract, a "Replacement MCO Contract"). Transferee acknowledges and agrees that Transferor makes no representation or warranty as to when or if each such managed care organization will agree to enter into a Replacement MCO Contract with Transferee.

(iv) Transferee shall indemnify, defend and hold harmless Transferor from and against any loss, damage, liability, claim, cost or expense (including, without limitation, reasonable attorneys' fees and any amounts payable by Transferor, whether by contractual indemnity or otherwise) that may be incurred by, or asserted against, Transferor arising out of or relating to Transferee's efforts to obtain assignment of the Medicare Assets, Transferee's efforts to cause the managed care organizations to enter into the Replacement MCO Contracts, any failure of Transferee to comply with their obligations pursuant to this Section or Transferee's billings under the Government Program (as defined below), or any other payer contracts.

5. Medicare Change of Ownership

(a) Transferee has filed a Medicare change of ownership application (the “CHOW”) with the applicable CMS Medicare Administrative Contractor (the “CMS MAC”) for the assignment of the Medicare Assets to Transferee. Transferee shall use commercially reasonable efforts to obtain, as soon as possible following the date hereof, CMS MAC and CMS Regional Office (“RO”) approval of the CHOW. Transferee shall be solely responsible for any and all costs associated with the CHOW process. Promptly upon receipt of a request from Transferor, Transferee will provide Transferor with copies of its CHOW application (which may be redacted for personal and ownership information) and any further documents submitted by Transferee to Medicare in response to any requests from such governmental authority.

(b) Transferor shall complete and file in a timely manner the “former owner,” “former operator,” or similar portions of the CHOW application, and complete and file in a timely manner all other required applications and forms, and shall otherwise reasonably cooperate with Transferee in order to facilitate the approval of the CHOW and assignment of the Medicare Assets. Promptly upon receipt of a request from Transferee, Transferor will provide Transferee with copies of its portion of the CHOW applications (which may be redacted for personal and ownership information) and any further documents reasonably requested by Transferee to be submitted to Medicare in response to any requests from such governmental authority.

(c) Transferee acknowledges that Transferor has not made, and is not making, any representation, warranty or other assurance regarding Transferee’s ability to (i) obtain any third-party payer agreement, or (ii) participate in any third-party payer program. Transferee acknowledges and agrees that it bears the entire risk of the foregoing and that, without waiving any rights or remedies under the PSA, Transferee will not have any claims against Transferor or any right to rescind all or any part of this Agreement, on the basis of any failure of the foregoing, unless and to the extent Transferor fails to cooperate or otherwise comply with its obligations pursuant to this Section. The provisions of this Section shall survive the expiration or any earlier termination of this Agreement.

6. Billings, Collections and Accounts Receivable.

(a) Billing. Transferor covenants to Transferee that, until the Closing Date, Transferor shall continue to bill the Residents and all other payers in the ordinary course of business consistent with past practices for amounts due under Residency Agreements or other payer contracts. From and after the Closing Date, Transferee shall assume responsibility for the billing of such amounts on and after the Closing Date, provided that Transferee is responsible for obtaining all other payer or provider agreements (commercial, governmental, or otherwise) which may be necessary for operating the SNF Premises on or after the Closing Date pursuant to Section 4. Transferor shall retain its right, title and interest in and to all unpaid accounts receivable with respect to the SNF Premises that relate to all periods prior to the Closing Date, including, but not

limited to, any accounts receivable arising from rate increase adjustments which relate to periods prior to the Closing Date even if such adjustments occur after the Closing Date.

(b) Private Pay Billing. The Parties acknowledge that private pay Residents are typically billed monthly by Transferor for amounts due under Residency Agreements in advance on or about the first (1st) day of each calendar month. Until the Closing Date, Transferor shall continue to bill private pay Residents in the ordinary course of business for amounts due under Residency Agreements. From and after the Closing Date, Transferee shall assume responsibility for billing private pay Residents for services provided to such residents on and after the Closing Date; provided, however, that Transferor may bill Residents after the Closing Date for services provided prior to the Closing Date that were not billed in advance on the first day of any calendar month prior to the Closing Date. Any private pay Resident payments that specifically identify dates of service, regardless of when received, shall be disbursed to Transferor or Transferee according to whether the dates of service were before or after the Closing Date. Private pay Resident payments that are not identified by dates of service and that are received by Transferor or Transferee during the first sixty (60) business days following the Closing Date shall be remitted to Transferor to be applied to reduce any outstanding private pay resident's obligations to Transferor, with any excess applied to reduce any balances due for services rendered by Transferee on and after the Closing Date. Private pay Resident payments that are not identified by dates of service and that are received by Transferor or Transferee on or after the sixty-first (61st) business day following the Closing Date, shall be remitted to Transferee or retained by Transferee, as applicable, to be applied to reduce private pay Residents' obligations to Transferee arising from and after the Closing Date. In the event the Parties mutually determine that any private pay Residents are entitled to a refund of payments, the portion thereof that relates to the period from and after the Closing Date shall be paid by Transferee and the portion thereof that relates to the period prior to the Closing Date shall be paid by Transferor to such private pay Resident.

(c) Medicare Billing.

(i) The Parties recognize that, subject to compliance with Medicare assignment rules, the Transferee is entitled to any and all outstanding Medicare receivables arising after the Closing Date on account of services rendered at the SNF Premises after the Closing Date. The Parties recognize that the CMS MAC continues to pay Transferor Medicare funds for the SNF Premises until the CMS MAC receives the tie-in/approval notice for the Medicare CHOW from the RO. Therefore, to the extent permitted under applicable law, (i) Transferee is hereby authorized to use the Medicare Provider Number in the name of and on behalf of Transferor, and in accordance with all applicable laws, regulations, and payor rules, to process invoices to and payments from Medicare, so long as those payments are deposited directly into a bank account designated in writing by, and in the name of and under the sole control of, Transferor for eligible services rendered at the SNF Premises after the Closing Date and until receipt of the tie-in/approval notice from the RO (the "CHOW Processing Period"), and (ii) Transferor is hereby authorized to continue to use the Medicare Provider Number, in its own name and behalf, to process invoices to and payments from Medicare for eligible services rendered at the SNF Premises on or prior to the Closing Date. '

(ii) Transferee and Transferor hereby acknowledge and agree that following the Closing Date and until the date that CMS sends the tie-in/approval notice to the CMS MAC, Transferee shall be allowed to bill under Transferor's existing Medicare Provider Agreement, insurance contracts and any other payor program related agreements for the SNF Premises (collectively, "Program Agreements"), and provider numbers for purposes of billing and collecting receivables on account of services rendered by Transferee after the Closing Date. In order to assist in the billing and collection of such receivables, and periodically track receivables, Transferor agrees to use its commercially reasonable efforts to permit Transferee access to any website of any carrier, fiscal intermediary or CMS MAC (collectively referred to as a "MAC"), or any other third-party payor. Transferor agrees to grant Transferee or its designee status as an authorized user under such websites (including establishing a new user id and password if applicable). From the Closing Date, Transferor hereby acknowledges that Transferee may submit claims, reports, documents and other information to the MAC for services provided to residents at the SNF Premises from the Closing Date until the date that CMS sends the tie-in/approval notice to the CMS MAC, as necessary to receive payment for such services. Transferor acknowledges and agrees that all receivables arising from services rendered on and after the Closing Date are the sole property of Transferee. Transferee shall not assume or be deemed to have assumed and shall not be responsible for any liability or obligation of Transferor under Transferor's Provider Agreement related to the operation of the SNF Premises with respect to periods prior to the Closing Date, and Transferor shall not assume or be deemed to have assumed and shall not be responsible for any liability or obligation relating to the operation of the SNF Premises with respect to periods subsequent to the Closing Date. Transferee shall be liable for any overpayments, recoupments or other liabilities relating to the SNF Premises by Medicare or any other third-party payor arising from the operation of the SNF Premises following the Closing Date.

(iii) Payments received by Transferor or Transferee on and after the Closing Date with respect to the SNF Premises from Medicare shall be handled as follows:

(A) If such payments either specifically indicate on the accompanying remittance advice, or if the Parties agree, that they relate to the period prior to the Closing Date, they shall be retained by Transferor or, if received by Transferee, remitted by Transferee to Transferor, as applicable, and the applicable remittance advice shall be provided to Transferee or Transferor as applicable.

(B) If such payments either specifically indicate on the accompanying remittance advice, or if the parties agree, that they relate to the period on or after the Closing Date, they shall be remitted by Transferor to Transferee, or if received by Transferee, retained by Transferee, as applicable, and the applicable remittance advice shall be provided to Transferee or Transferor as applicable.

(C) If such payments indicate on the accompanying remittance advice, or if the parties agree, that they relate to periods both prior to and after the Closing Date, the portion thereof which relates to the period after the

Closing Date shall be forwarded to, or retained by, Transferee, as applicable, and the balance shall be remitted to, or retained by, Transferor, as applicable.

(D) If the accompanying remittance advice, which is received by either party during the first sixty (60) days following the Closing Date does not indicate the period to which a payment relates or if there is no accompanying remittance advice, Transferor will attempt to reconcile the payment to the dates of service for which such payment was made, and the payments thereof which Transferor determines relate to the period after the Closing Date shall be forwarded to, or retained by, Transferee, as applicable, and any payments that relate to the period prior to the Closing Date shall be remitted to, or retained by, Transferor, as applicable. On the sixty-first (61st) day following the Closing Date, Transferor will provide Transferee with all information necessary to allow Transferee to perform the reconciliation described in this section of unaccounted for payments and will either forward to Transferor or retain such payments, as applicable. The party who performs the reconciliation of unaccounted for payments received in accordance with this section will promptly forward documentation to the other party supporting the allocation of the payment. If the Parties do not agree as to how to apply an unaccounted-for payment, then the payment shall be deemed to apply against the oldest outstanding account receivable due from such payor.

(d) Other Third-Party Payor Payments. Payments received by Transferor or Transferee on and after the Closing Date with respect to the SNF Premises from other third-party payors, such as the Medi-Cal Program, the Veterans Administration, managed care companies, or health maintenance organizations, shall be handled in accordance with Section 6(c)(iii).

(e) Timing. By the 20th day of each calendar month, Transferor or Transferee, as applicable, shall deposit to an account designated by Transferor or Transferee all payments due to Transferor or Transferee which are allocable to Transferor or Transferee pursuant to this Section 6 for the previous calendar month.

(f) Statement of Reconciliation. Promptly upon making payment due to Transferor or Transferee which are allocable to Transferor or Transferee pursuant to this Section 6 and in no event later than ten (10) days following a such payment, Transferor or Transferee, as applicable, shall prepare and deliver to Transferor or Transferee, as applicable, a proposed statement of reconciliation of payments received by either Party during such calendar month in respect of the SNF Premises (the "Proposed Reconciliation"). The Proposed Reconciliation shall appropriately reflect the net amount owed to each Party, respectively, as a result of such reconciliation. After approval of the Proposed Reconciliation by both Parties, the Party determined to owe any amounts as a result of such Proposed Reconciliation shall promptly pay such amounts to the other Party by wire transfer to an account designated in writing by such other Party. In addition to the Statement of Reconciliation, each Party agrees to forward to the other Party, as applicable, any and all remittance advice, explanations of benefits, denial of payment notices, and



all other correspondence related to the billing and collection of Accounts Receivable and allocation of payments promptly following receipt by each Party.

(g) Misapplied Payments. In the event the Parties mutually determine that any payment hereunder was misapplied by the parties, the party which erroneously received said payment shall remit the same to the other within two (2) business days after said determination is made.

(h) No Right Offset or Recoupment. To the extent either Transferor or Transferee receive any proceeds from the Accounts Receivable of the other Party, the Parties acknowledge that the Party receiving the payment belonging to the other Party shall hold the payment in trust. Neither Transferee nor Transferor shall have any right to offset or recoupment with respect to such Accounts Receivable, and any Party erroneously receiving a payment belonging to the other Party shall have no right, title or interest whatsoever in the payment and shall remit the same to the other as provided herein.

(i) Cooperation in Processing of Claims. Each Party agrees that it will provide the other Party with any information reasonably required to enable any Party to complete its billing to Residents or other payouts in accordance with this Agreement. If necessary, for a period of eighteen (18) months following the Closing Date:

(i) Each Party agrees to take all reasonable steps to assist the other in processing the Government Programs claims and obtaining payments for services rendered (i) in the case of Transferee, from and after the Closing Date, and (ii) in the case of Transferor, prior to the Closing Date.

(ii) The Party being assisted pursuant to this Section agrees to reimburse the Party rendering assistance for any reasonable, documented, out-of-pocket expenses (due to third parties) actually incurred by the assisting Party in rendering such assistance.

## 7. Cost Reports

(a) Transferor and Transferee shall each timely prepare and file with the appropriate Medicare and/or Medi-Cal agency, in accordance with applicable law and regulation, any final or other cost reports with respect to its operation of the SNF Premises which are required to be filed by law under the terms of the Medicare or Medi-Cal programs. The Parties shall cooperate fully by providing to each other any and all necessary financial or accounting information reasonably required by the other Party to enable such other Party to timely submit the foregoing described final or other cost reports and shall cooperate fully in any accounting decisions related to the depreciation of certain assets and the inclusion of Medicare bad debt on the final cost report filed by Transferor.

(b) In addition to the foregoing obligations, Transferor shall file, to the extent required by applicable regulations, a credit balance report (Form CMS-838) with Medicare within thirty (30) days following the end of the quarter in which this Agreement is executed and delivered. Transferor and Transferee shall each timely prepare and file with the appropriate payor

authorities, in accordance with applicable laws, any final or other cost reports with respect to its operation of the SNF Premises that are required under the terms of the Medicare program, including, without limitation, Transferor preparing and filing any and all final cost reports for the SNF Premises for the time period during which Transferor was the licensed operator of the SNF Premises (the “Final Assignor Cost Reports”), within the time frames required by applicable laws, but no later than one hundred and eighty (180) days after the Closing Date; provided, however, that Transferee shall reasonably cooperate with Transferor in connection with the preparation of any Final Assignor Cost Reports with respect to any portion of such Final Assignor Costs Reports relating to operations at the SNF Premises during the time between the Closing Date and the OTA Closing Date (the “Interim Period”). Prior to filing any Final Assignor Cost Reports that cover the Interim Period, Transferor shall forward drafts of the same to Transferee for review, and Transferee shall have ten (10) business days to review and comment on any portion thereof relating to the Interim Period. Transferor shall provide Transferee with copies of the Final Assignor Cost Reports within five (5) days after the same are filed with the applicable government program.

8. Indemnification. (a) In consideration of Transferor agreeing to allow Transferee to operate the SNF Premises under Transferor’s skilled nursing facility license and bill Medicare and other government programs using Transferor’s provider numbers during the Interim Period and as a further inducement for Transferor to enter into this Agreement and the Interim Agreements, Transferee hereby agrees to indemnify, protect, defend, and hold harmless Transferor and its affiliates, members, managers, directors, officers, employees and agents (collectively “Transferor Indemnified Parties”) from any losses, damages (other than consequential damages except to the extent payable to third parties), costs and expenses (including reasonable attorneys’ fees) which Transferor Indemnified Parties may at any time suffer or incur, or become subject to, as a result of or arising from: (a) a breach by Transferee of its obligations under this Agreement which is not cured within thirty (30) days after receipt of written notice from Transferor setting forth, in reasonable detail, the nature of such breach, or any breach of the obligation by Transferee to bill correctly and in accordance with all applicable laws, regulations, and payer rules during the time that the CHOW is being processed by the CMS MAC and RO (the “CHOW Billing Obligations”), (b) any liabilities with respect to Transferee’s handling of the Resident Funds received by Transferee; and (c) any liabilities incurred by any Transferor Indemnified Party with respect to the assigned Medicare Assets for services rendered on or after the date hereof, except to the extent arising from Transferor’s negligence or willful misconduct. The foregoing indemnity obligations of Transferee do not limit Transferee’s responsibility to perform its duties and obligations as set forth in this Agreement or Transferee’s direct responsibility for any breach of such obligations. (b) Transferor hereby agrees to indemnify, protect, defend, and hold harmless Transferee and its affiliates, members, managers, directors, officers, employees and agents from any and all claims, suits, demands, liability, damages, and expenses, including reasonable attorneys’ fees and costs, to the extent arising from or in connection with Licensee’s negligence or willful misconduct hereunder, or breach of this Agreement, except to the extent of Transferee’s negligence or willful misconduct. During the term of this Agreement, Licensee warrants that it will not revoke any of the state and federal licenses, permits, certifications, and approvals from governmental authorities that have jurisdiction over the Facility’s licensure and operation that are required to be held by Licensee after the Closing Date, including the SNF License, until the date Transferee obtains the permits, certifications and

approvals from governmental authorities needed to operate the Facility as a skilled nursing facility.

9. Transfer of Resident Trust Funds

(a) On the Closing Date, Transferor shall provide Transferee with a true, correct and complete accounting and inventory of all funds belonging to residents at the SNF Premises (each, a “Resident”) which are held by Transferor in a custodial capacity (collectively, “Resident Funds”) as of the date hereof, subject to adjustment within fifteen (15) days following the date hereof. Such accounting and inventory will set forth the names of the Residents for whom such Resident Funds are held and the amounts held on behalf of each Resident. On the date hereof, Transferee acknowledges receipt of and expressly assumes all of Transferor’s financial and custodial obligations with respect thereto, it being the intent and purpose of this provision that, on the date hereof, Transferor will be relieved of all fiduciary and custodial obligation with respect to such Resident Funds delivered to Transferee and that Transferee will assume all such obligations and be directly accountable to the Residents with respect to all Resident Funds delivered to Transferee.

(b) Transferee shall have no responsibility as to the applicable Resident/responsible party and regulatory authorities for claims which arise from actions or omissions of Transferor with respect to the Resident Funds prior to the Closing Date, and such pre-existing liabilities (if any) related to the Resident Funds shall be and remain the responsibility of Transferor.

(c) Except as set forth above, Transferor shall have no responsibility to the applicable Resident/responsible party and regulatory authorities with respect to any Resident Funds delivered to Transferee. The provisions of this Section shall survive the expiration or any earlier termination of this Agreement.

10. Interim Covenants.

(a) The Parties acknowledge that (i) Transferee is required under the laws of the State of California to obtain all of the permits, licenses and governmental approvals described on Schedule III attached hereto for the operation of the SNF Premises (the “License Approvals”). Accordingly, Transferee agrees to (u) assume full responsibility for securing the License Approvals required with respect to the SNF Premises, (v) at its sole cost and expense, diligently pursue, and use commercially reasonable efforts to obtain the License Approvals, (w) prepare and deliver to Transferor a written status report with respect to Transferee’s efforts to obtain the License Approvals (a “License Approval Status Report”) with fifteen (15) day following Transferor’s written request, but no more than once every two months, (x) promptly notify Transferor in writing of any material development in connection with the License Approvals, (y) deliver to Transferor such reasonable documentation and information in respect of the License Approvals as Transferor may reasonably request from time to time and (z) deliver written notice to Transferor of Transferee’s receipt of the License Approvals no later than ten (10) business days after Transferee’s receipt thereof. Each License Approval Status Report shall summarize in reasonable detail (a) the efforts of Transferee (and any person acting on behalf of Transferee) to obtain the License Approvals for the period commencing since the prior License Approval Status Report was delivered and continuing up to the date of the License Approval Status Report then

being delivered (except that the first License Approval Status Report shall instead cover the period between the Closing Date and the date such first License Approval Status Report is delivered), (b) the current status of the application for each License Approval (including commentary regarding the timing and likelihood of the receipt thereof), (c) the dates and subject matter of any and all future meetings, if any, planned (and/or scheduled, as applicable) with any Governmental Authority in respect of the License Approvals and (d) any setbacks encountered by Transferee (and/or by any person acting on behalf of Transferee) in pursuit of the License Approvals. At Transferee's written request, Transferor agrees to cooperate reasonably and in good faith with Transferee as Transferee seeks to obtain the License Approvals from any applicable Governmental Authority as may be required, provided that Transferee shall pay all out-of-pocket costs and expenses arising in connection with the same or imposed by any Governmental Authority requirement (and reimburse Transferor for any such costs and expenses). If, at any time, Transferee receives notice that a License Approval has been denied, then Transferee shall (A) deliver written notice thereof to Transferor within five (5) business days after Transferee's receipt of such denial notice and (B) diligently pursue, at its sole cost and expense, any lawful challenge or appeal of such denial.

(b) Interim Agreements. On the Closing Date, Transferor and Transferee shall execute the Interim Agreements, pursuant to which an interim arrangement structure permits Transferee to begin managing the SNF Premises under Transferor's skilled nursing facility license, and allows for the applicable existing material permits, licenses, agreements and other authorizations issued and required by Governmental Authorities in connection with the operation of the SNF Premises to remain in full force and effect following the Closing Date and until the OTA Closing Date.

#### 11. Costs and Prorations.

(a) As between Transferee and Transferor, any payments (including any amount paid to Transferor prior to the Closing Date for services to be rendered on and after the Closing Date from social security payments, private pay residents' security deposits and prepayments, applied income payments, resident trust prepayments, etc.) for SNF Premises operating expenses, utility charges for the billing period in which the Closing Date occurs, and prepaid expenses and other related items of revenue or expense attributable to the SNF Premises, including prepaid SNF Premises license and permit fees, shall be prorated between Transferor and Transferee as of Closing Date. In general, such prorations shall be made so that as between Transferee and Transferor, Transferor shall be reimbursed for prepaid expense items to the extent that the same are applied to expenses attributable to periods on and after the Closing Date and Transferor shall be charged for unpaid expenses to the extent that the same are attributable to periods prior to the Closing Date. Any CDPH annual license renewal fees shall be the sole responsibility of, and paid by, Transferee. [NTD: TRANSFEE SHOULD BE RESPONSIBLE FOR ALL LICENSE FEES POST-CLOSING AS TRANSFEE IS THE OWNER OF THE PROJECT AT THAT POINT AND IS THEREFORE RESPONSIBLE FOR ALL FEES ATTRIBUTABLE TO THE OWNERSHIP/OPERATION OF THE PROJECT]

(b) Section 11(a) shall be implemented by Transferee remitting to Transferor any invoices (or the applicable portion thereof in the case of invoices which cover periods both prior to and after the Closing Date) which describe goods or services provided to the

SNF Premises before the Closing Date and by Transferee assuming responsibility for the payment of any invoices (or portions thereof) which describe goods or services provided to the SNF Premises on and after the Closing Date; provided, however, that notwithstanding any provision of this Agreement to the contrary, any and all deposits paid by Transferor with respect to the SNF Premises, including without limitation, any and all utility, insurance company or surety shall remain the sole and exclusive property of Transferor, and Transferee shall have no right or interest therein or thereto, and to the extent that Transferor does not receive a return of any such deposit on the Closing Date and such security deposit has been assumed by Transferee, Transferee shall reimburse the Transferor on the Closing Date the full amount of any such security deposit assumed by Transferee.

(c) All such prorations shall be made on the basis of actual days elapsed in the relevant accounting or revenue period and shall be based on the most recent information available to Transferor. Utility charges which are not metered and read on the Closing Date shall be estimated based on prior charges, and shall be re prorated upon receipt of statements therefor as of the Closing Date. Transferee shall obtain its own insurance coverage covering all periods commencing on and after the Closing Date and for the duration of the Interim Period, and shall name Transferor as an "Additional Insured" to said insurance coverage policies.

(d) All amounts which are subject to proration under the terms of this Agreement and which require adjustment after the OTA Closing Date shall be settled within ten (10) business days after the OTA Closing Date or, in the event the information necessary for such adjustment is not available within said ten (10) business day period, then within seven (7) business days of receipt of information by either party necessary to settle the amounts subject to proration.

12. Intentionally deleted.

13. Accounting and Resident Data. Transferor shall transfer its accounts receivable data and resident care data in electronic form, if possible, to Transferee on or before the Closing Date and Transferor agrees to cooperate with Transferee in transferring such information and shall allow, to the extent such temporary arrangement is permissible under Transferor's vendor contracts, to use computer systems and software for a period of ninety (90) days after the Closing Date for accounts receivable collections and resident care maintenance. In the event, the Parties agree that it is not possible to electronically transfer Transferor's accounts receivable and/or resident care data to Transferee, Transferor shall provide hardcopy paper records of its resident care data to Transferee. Transferee will be responsible for any cost associated with the transfer (electronically or otherwise) by Transferor of its resident care data to Transferee not to exceed \$ \_\_\_\_\_.

14. Submission to Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO THE CONFLICTS OF LAWS OF THE STATE OF CALIFORNIA. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID STATE. EACH OF THE PARTIES HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH PARTIES BY

CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY, AT THE ADDRESS SET FORTH FOR NOTICE IN THIS AGREEMENT. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THIS SECTION.

15. Notice. Unless expressly provided otherwise herein, any notice, communication or demand required or permitted to be given under this Agreement shall be in writing (including e-mail communications) and shall be sent to the applicable party in accordance with the terms of the PSA.

16. Miscellaneous.

(a) No Bulk Transfer. Neither anything contained herein, nor the transactions provided for herein, shall be deemed or construed to constitute a “bulk sale”.

(b) Further Assurances. Each Party agrees to execute and deliver to any other Party any agreement, document or instrument deemed reasonably necessary or desirable to give effect to the transactions described in this Agreement.

(c) Entire Agreement. There are no agreements, understandings, commitments, representations or warranties between the Parties with respect to the subject matter hereof except as expressly set forth in this Agreement. This Agreement supersedes all prior oral or written negotiations, understandings and agreements between the Parties with respect to the subject matter hereof. In the event that any provision of this Agreement conflicts with a provision of the Purchase Agreement, the provision of the Purchase Agreement prevails.

(d) Captions; Pronouns. Any titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as appropriate.

(e) Counterparts; Facsimile or Electronic Transmission. This Agreement may be executed in any number of multiple counterparts, each of which shall be deemed to be an original copy and all of which shall constitute one agreement, binding on the Parties. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission (including, without limitation, a signature effectuated by DocuSign and/or transmitted by email in portable document format (.pdf)) shall be effective as delivery of a manually executed original counterpart of this Agreement. The words “executed”, “execution”, “signed”, “signature”, and words of like import in this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including DocuSign and Adobe Sign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable

law, including any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

(f) Governing Law. IN ALL RESPECTS THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA (WITHOUT REGARD OF PRINCIPLES OR CONFLICTS OF LAW).

(g) Specific Performance. Each Party shall be entitled to enforce the terms of this Agreement through specific performance.

(h) Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement or to resolve any dispute under this Agreement, the losing Party(ies) shall pay the attorneys' fees, costs and necessary disbursements of the prevailing Party(ies) in addition to any other relief to which such prevailing Party(ies) may be entitled.

(i) No Third-Party Beneficiaries; Successors and Assigns. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No Party, however, may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

(j) Amendments. No amendment of any provision of this Agreement shall be valid unless, as a condition to the effectiveness of such change, the same shall be in writing and signed by the Party against whom the amendment is sought to be enforced. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(k) Severability. In the event that any provision of this Agreement, as applied to any Party or to any circumstance, shall be adjudged by a court to be void, unenforceable or inoperative as a matter of law, then the same shall in no way affect any other provision in this Agreement, the application of such provision in any other circumstance or with respect to any other Party, or the validity or enforceability of this Agreement as a whole.

(l) Full Review and Advice of Counsel. Each Party and their respective attorneys have had full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing this Agreement to be drafted.

(m) Time of the Essence. Time is of the essence of each and every provision of this Agreement.

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the Effective Date.

**TRANSFEROR:**

HumanGood SoCal,  
a California non-profit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**TRANSFeree:**

Ararat Home of Los Angeles, Inc.,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule I**

Medicare/Medi-Cal Assets

NPI: 1972588846

PTAN: 555616

**Schedule II**

**Medicare MCO Contracts**

**Agreement**

Provider Agreement

Ancillary Provider Participation Agreement

SNF Preferred Provider Agreement

Provider Participation

Facility Agreement

**Managed Care Organization**

Blue Shield of CA

UnitedHealthCare of CA

Adventist Health Glendale Post-Acute Care Network

Health Net of California, Inc.

Anthem Blue Cross

**Schedule III**  
**License Approvals**

1. Skilled Nursing Facility License
2. Medicare and Medi-Cal Certification
3. Clinical Laboratory License/CLIA

## EXHIBIT A

### Form of Bill of Sale and General Assignment

#### BILL OF SALE AND GENERAL ASSIGNMENT

THIS BILL OF SALE AND GENERAL ASSIGNMENT (this “Bill of Sale”) is made as of this [\_\_\_\_] day of [\_\_\_\_] (the “Effective Date”), by HumanGood SoCal, a California non-profit public benefit corporation d/b/a “Windsor” and “Windsor Manor” (“Transferor”), and [Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation (“Transferee)”).

#### W I T N E S S E T H

WHEREAS, Transferor owns and operates that certain continuing care retirement community commonly referred to “Windsor” and “Windsor Manor” and located at 1230 E. Windsor Road, Glendale, California.

WHEREAS, pursuant to that certain Operations Transfer Agreement dated as of [●], 2022 (the “OTA”), Transferor is required to transfer and convey to Transferee all of its right, title and interest in and to the Inventory, Personal Property and Permits (as each of such terms is defined in the OTA) other than the Excluded Assets (as defined in the OTA) (collectively, the “Transferred Property”) with respect to the Facility (as defined in the OTA), free and clear of all liens, charges, claims and encumbrances thereon, and Transferee is required to accept the transfer and conveyance thereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor hereby agrees as follows:

1. Transfer of the Transferred Property. Transferor hereby grants, assigns, transfers, conveys and delivers to Transferee, absolutely and unconditionally, all of its right, title and interest in and to the Transferred Property with respect to the Facility. Except as aforesaid, the Transferred Property is being conveyed in its “as is, where is” condition.

2. Impact of Interim Agreements. Notwithstanding the foregoing, due to the fact that the Interim Agreements are being implemented for the SNF Premises as of the Closing Date, if applicable law prohibits the conveyance of any of the Transferred Property to Transferee until the OTA Closing Date, then such Transferred Property shall not be assigned, transferred or conveyed by Transferor as of the Closing Date, but rather shall be automatically assigned, transferred and conveyed by Transferor to Transferee upon the OTA Closing Date; provided, however, nothing herein shall derogate from any of Transferee’s obligations, as applicable, under the Interim Agreements (including, without limitation, Transferee’s responsibility for obligations with respect to the Transferred Property with respect to the SNF Premises for all periods from and after the Closing Date).

3. Successors and Assigns. This Bill of Sale shall be binding upon and inure to the benefit of Transferor and Transferee and their respective successors.

4. Signatures; Counterparts. This Bill of Sale may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Bill of Sale by facsimile or electronic transmission (including, without limitation, a signature effectuated by DocuSign and/or transmitted by email in portable document format (.pdf)) shall be effective as delivery of a manually executed original counterpart of this Bill of Sale. The words “executed”, “execution”, “signed”, “signature”, and words of like import in this Bill of Sale shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including DocuSign and Adobe Sign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

5. Governing Law. This Bill of Sale shall be governed by and construed and enforced in accordance with the internal laws of the state of California without giving effect to the principles of conflicts of law thereof.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, Transferor has executed this Bill of Sale as of the Effective Date.

**TRANSFEROR:**

HumanGood SoCal,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRANSFeree:**

Ararat Home of Los Angeles, Inc.,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT B

### Form of Assignment and Assumption Agreement

#### ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made as of this [ ] day of [ ] (the "Effective Date"), by and between HumanGood SoCal, a California non-profit public benefit corporation d/b/a "Windsor" and "Windsor Manor" ("Transferor"), and Ararat Home of Los Angeles, Inc., a California non-profit public benefit corporation ("Transferee").

#### W I T N E S E T H

WHEREAS, Assignor and Assignee are parties to that certain Operations Transfer Agreement dated as of [ ● ], 2022 (the "Operations Transfer Agreement"), which governs the transfer of operations and management of the continuing care retirement community commonly referred to as Windsor or Windsor Manor (the "Community").

WHEREAS, pursuant to the Operations Transfer Agreement, (a) Transferor is required to assign, transfer and convey to Assignee all of its right, title and interest in, to and under the (i) Residency Agreements, other than Excluded Assets (as each such term is defined in the Operations Transfer Agreement) (collectively, the "Assigned Agreements") with respect to the Facility (as defined in the Operations Transfer Agreement) and (b) Assignee is required to accept such assignment, transfer and conveyance from and after the Closing Date with respect to the Facility (except with respect to the Residency Agreements that are applicable to the SNF Premises (as defined in the Operations Transfer Agreement), which shall be from and after the OTA Closing Date (as defined in the Operations Transfer Agreement); provided that nothing herein shall derogate from any of Transferee's obligations, if applicable, under the Interim Agreements (as defined in the Operations Transfer Agreement) (including, without limitation, Transferee's responsibility for Transferor's obligations under the Residency Agreements with respect to the SNF Premises for periods from and after the Effective Date).

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the mutual receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Assignment. Assignor assigns, transfers, and conveys unto Assignee all of its rights, title, interest, benefits and privileges in, to and under the Assigned Agreements and the Assigned Accounts with respect to the Facility.

2. Assumption. Each Assignee hereby expressly assumes and agrees to perform from and after the Effective Date all of the obligations of Assignor under the Assigned Agreements which first arise from and after the Effective Date (except with respect to the Residency Agreements that are applicable to the SNF Premises, which shall be from and after the OTA Closing Date; provided that nothing herein shall derogate from any of Transferee's obligations, if applicable, under the Interim Agreements (including, without limitation,



Transferee's responsibility for Transferor's obligations under the Residency Agreements with respect to the SNF Premises for periods from and after the Effective Date).

3. Impact of Interim Agreements. Notwithstanding the foregoing, due to the fact that the Interim Agreements (as defined in the Operations Transfer Agreement) are being implemented for the SNF Premises as of the Closing Date as defined in the PSA, if applicable law prohibits the assignment of any of the Assigned Agreements or Assigned Accounts to Assignee until the OTA Closing Date, then such Assigned Agreement or Assigned Account shall not be assigned, transferred or conveyed by Assignor as of the Closing Date, but rather shall be automatically assigned, transferred and conveyed by Assignor to Assignee upon the OTA Closing Date; provided, however, nothing herein shall derogate from any of Transferee's obligations, if applicable, under the Interim Agreements (including, without limitation, Transferee's responsibility for Transferor's obligations with respect to the Assigned Agreements and Assigned Accounts with respect to the SNF Premises for all periods from and after the Effective Date).

4. Binding Effect. This Assignment shall be binding upon, enforceable by and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. Signatures; Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Assignment by facsimile or electronic transmission (including, without limitation, a signature effectuated by DocuSign and/or transmitted by email in portable document format (.pdf)) shall be effective as delivery of a manually executed original counterpart of this Assignment. The words "executed", "execution", "signed", "signature", and words of like import in this Assignment shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including DocuSign and Adobe Sign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

6. Governing Law. This Assignment shall be governed by and construed and enforced in accordance with the internal laws of the state of California without giving effect to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

**TRANSFEROR:**

HumanGood SoCal,  
a California non-profit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRANSFeree:**

Ararat Home of Los Angeles, Inc.,  
a California non-profit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C**

**Form of Interim Lease**

**[Please See Attached]**

**EXHIBIT D**

**Form of Interim Management Agreement**

**[Please See Attached]**

**EXHIBIT D**

**LIST OF DUE DILIGENCE MATERIALS**

<b>Documents Provided Prior to Execution of Purchase and Sale Agreement</b>
Brochures with Resident Rates effective 1-1-2022.pdf
CBRE Appraisal Windsor Glendale CA(3-10-2022).pdf
HumanGood California OG 2020 Audited Financial Statements.pdf
HumanGood SoCal P C.pdf
SoCal P C.pdf
WI 101 5a Inc Stmt - 12 month Rolling Cy 2021.xlsx
WI 210b Classified Balance Sheet Dec 2021.xlsx
WI 404 Trial Balance BS Dec 2021.xlsx
WI IS TB Trend C 2021.xlsx
WI IS TB Trend with dept C 2021.xlsx
WI Occupancy Trend Cy 2021.xlsx
WIN CR Agreement Classic 2019 03 22.pdf
Windsor 50% Repayable Care and Residence Agmt Jan2018.docx
Windsor 75% Repayable Care and Residence Agmt Jan2018.docx
Windsor Classic Residence and Care Agmt 2016 05 01.docx
Windsor Residence and Service Agreement 2018 03 01.doc

<b>Documents Provided During Due Diligence Period</b>	
<b>Folders</b>	<b>Documents</b>
<b>Additional Items</b>	
	Redacted Team Member Spreadsheet 5-19-2022.xlsx
<b>Email Exchanges During Diligence Period</b>	
	AraratDoc.pdf Email Exchange re Dept Job with attachment.pdf Email Greg Bearce.pdf Email re Windsor Resident Contracts.msg MayFinancialsWin.pdf Meet the Ararat IT Team.msg RE Meet the Ararat IT Team.msg
<b>IT Dataroom</b>	
	[Empty]
<b>Items required under PSA Section 4.1.1</b>	
(i) Most recent property tax bills and assessments for the Property	PROPTAX - WIND - 5679-32-001 - 2021.pdf PROPTAX - WIND - 5679-32-004 - 2021.pdf PROPTAX - WIND - 5679-32-005 - 2021.pdf PROPTAX - WIND - 5679-32-008 - 2021.pdf PROPTAX - WIND - 5679-32-016 - 2021.pdf

(ii) Documents evidencing interests not shown on the Title Report	[Empty]
(iii) Leases, service contracts, easements, licenses, development approvals	Windsor 1405564-000.pdf
(iv) Existing surveys of the Real Property	Windsor Site Plan.pdf
(ix) General ledger and trial balance supporting financial statements	GL Detail 2019 to 2021 v3.XLSX Windsor TB 2019.xlsx Windsor TB 2020.xlsx Windsor TB 2021.xlsx
(v) Soils reports, reports pertaining to hazardous materials or other environmental conditions or other reports relating to the physical condition of the Real Property	Windsor Manor Phase I.pdf
(vi) Plans and engineering documents relating to the Facility	
<i>a. Charles Walton Associates 3-2-1992</i>	001.pdf-039.pdf (Re-Roofinf & Mechanical Equipment Renovation)
<i>b. Faxon, Gruys, Saylar 1964 1-Story Building</i> Architectural  Electrical Mechanical Plumbing Structural	1-Story Building Arch Combined 1964 Plans Reduced.pdf Faxon, Gruys, Saylar 1964 Sheet 1 to 9.pdf Windsor Arch Combined 1964 Plans.pdf Faxon, Gruys, Saylar 1964 E-1 to E-5.pdf Faxon, Gruys, Saylar 1964 M-1 to M-5.pdf Faxon, Gruys, Saylar 1964 P-1 to P-5.pdf Faxon, Gruys, Saylar 1964 S-1 to S-7.pdf
<i>c. Serdar Architecture - Triplex Duplex</i>	001 to 014.pdf (South Chevy Chase Triplex Remodel)
<i>d. Windsor Manor East Addition Strange Inslee Senefeld 1972 &amp; WM East Addition 1972 Plumbing Sheets</i>	East Addition P-1 to P-9.pdf Roll 1.pdf Roof Details.pdf Strange Inslee Senefeld 1972 Architectural Plans.pdf Strange Inslee Senefeld 1972 Architectural Plans.pdf Strange Inslee Senefeld 1972 Complete Plans.pdf Strange Inslee Senefeld 1972 Mechanical Plans.pdf Windsor Site Plan.pdf
<i>e. Windsor Manor, Intermediate Care, 11-6-1972 Plans</i>	WM, Intermediate Care, 11-6-1972, Dwg. 1, Site Plan.pdf WM, Intermediate Care, 11-6-1972, Dwg. 2, Floor Plan.pdf

	<p>WM, Intermediate Care, 11-6-1972, Dwg. 3, Qtr Floor Plan-Interior Elevations.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. 4, Finish Schedule-Door Schedule-Details.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. 5, Specifications.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. E-2, Lighting-Power Plan.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. M-1, Mechanical Schedule-Detail-Control.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. M-2, Mechanical Floor Plan.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. P-1, Plumbing.pdf</p> <p>WM, Intermediate Care, 11-6-1972, Dwg. S-1, Remodel West End So. Wing.pdf</p>
(vii) Other correspondence, reports, studies, permits, approvals	<p>_ClosureLetters_20220406_134504.pdf</p> <p>ClosedInComplianceLtr_20210812_150935.pdf</p> <p>FW_1230 E Windsor Rd_Resting Rail (1).msg</p> <p>FW_1230 E Windsor Rd_Resting Rail.msg</p> <p>SITE PLAN 2022-04-18.pdf</p> <p>Zoning Use Permit.pdf</p>
(viii) Audited Financial Statements for 2019-2021	<p>HumanGood California OG 2019 Audited Financial Statements.pdf</p> <p>HumanGood California OG 2020 Audited Financial Statements.pdf</p> <p>HumanGood COG 2021 Audited Financial Statements.pdf</p>
(x) Contracts and agreements and other documents material to the business	[Empty]
(xi) Redacted current and complete list of all employees of Seller who work at the Facility, together with their dates of hire, positions and their annual salaries and other compensation	Redacted Team Member Spreadsheet 5-19-2022.xlsx
<b>Vendor Contracts Supporting at Windsor</b>	
Maintenance Agreements	<p>access control security.pdf</p> <p>baker commodities pumping.pdf</p> <p>bryan exhaust service inc.pdf</p> <p>duthie power service agreement.pdf</p> <p>external disaster drill.pdf</p> <p>fire safety service inc contract.pdf</p> <p>Ice machine-Balesteri Refrigeration inc agreement.pdf</p> <p>Jimenez landscape sign page 9.17.2020.pdf</p> <p>Refrigeration - Balesteri Refrigeration inc agreement.pdf</p>
Managed Care Contracts	<p>2020-07-01 Health Net Human Good Norcal PPA 1.pdf</p> <p>Adventist Health Preferred Provider Agreement - Windsor.pdf</p>

	<p>Anthem Blue Cross HumanGood NorCal Exe Agreement 040120.pdf  UHC signed contract 6.17.2020.pdf  UHC_Windsor Manor Commercial Payment Appendix.pdf  UHC_Windsor Manor FPA Agreement.pdf  UHC_Windsor Manor Medicare Payment Appendix-.pdf  Windsor Manor - FFS_SNF_Base 06-01-20 v2 (1).pdf</p>
Physician Agreement	<p>DysphagiaDoc.pdf  Medical Director Antossyan signed agreement 6.1.2020.pdf  Podiatrist agreement- Melineh AslanianDPM.pdf</p>
Unsure	<p>2020_07_10_HCBarrierAgreement.pdf  DS Aptura signed agreement 2.28.2020.pdf  Medico Laundry Agreement 7.1.2020.pdf  ProvidenceStJoseph_WindsorManor_EpicLinkAgreement.pdf</p>
Main Folder	<p>4.28.22 Essential Registry.pdf  AAHCS - Windsor Manor - Agmt - 4-16-2021 (1).pdf  Advanced Care Services Temporary Staffing Agreement.pdf  Advantage Wound Care.pdf  Amtech Elevator Services.pdf  CareLinx Staffing Agreement.pdf  Clipboard Contract.pdf  Crown Disposal Co.pdf  Diagnostic Labs Part 2.pdf  Diagnostic Labs.pdf  EcoLab.pdf  Maintenance Agreements  Managed Care Contracts  Physician Agreement  Unsure  4.28.22 Essential Registry.pdf  AAHCS - Windsor Manor - Agmt - 4-16-2021 (1).pdf  Advanced Care Services Temporary Staffing Agreement.pdf  Advantage Wound Care.pdf  Amtech Elevator Services.pdf  CareLinx Staffing Agreement.pdf  Clipboard Contract.pdf  Crown Disposal Co.pdf  Diagnostic Labs Part 2.pdf  Diagnostic Labs.pdf  EcoLab.pdf</p>



# **EXHIBIT 3**

Ararat Home of Los Angeles, Inc.  
Charity Care Policy

Ararat Home of Los Angeles, Inc. ("Ararat") has adopted the following charity care policy at its communities.

1. Possibility of Alternative Arrangements. If a resident is unable to pay the Monthly Fees or other charges promptly, Ararat may, in its discretion and consistent with its financial ability to do so, extend the time to make payment or work out another alternative payment arrangement. To qualify for and maintain such alternative payment arrangement, a resident must comply with the other terms of this Policy.
2. Eligibility. A resident will not qualify for an alternative payment arrangement if he or she (i) transfers (by gift or bargain sale) his or her assets for less than their fair market value after signing the admission agreement; (ii) encumbers his or her assets or otherwise dilutes their value; (iii) made material misrepresentations as to his or her financial status in any admission documents; (iv) invests his or her assets in vehicles or takes other actions that enable the resident to qualify prematurely for Medi-Cal benefits; or (v) inappropriately spends his or her assets (e.g., by spending down, irresponsible expenditures, or waste) before or after being accepted for residency at the community, which, in Ararat's judgment, impairs the resident's ability to pay all foreseeable charges during his or her residency at the Community.
3. Application for Public Benefits. To qualify for an alternative payment arrangement, the resident must first seek the benefits of any public assistance program for which he or she qualifies, such as Social Security, SSI/SSP, Aid to the Blind, veterans' pensions, or Medi-Cal.
4. Change in Apartment. A resident seeking public assistance or a subsidy may be asked to transfer to an apartment that bears a lower monthly fee, if appropriate.
5. Increase in Assets; Preservation of Assets; Repayment Instruments. To maintain an alternative payment arrangement with Ararat, a resident must: (1) report promptly to Ararat any material increase in his or her assets (whether by gift, inheritance, appreciation in value, or otherwise) and state their value; (2) refrain from transferring, giving or selling any assets for less than their fair market value; (3) if requested by Ararat, make arrangements for the preservation and management of the resident's property by others; and (4) if Ararat deems necessary, execute promissory notes or other instruments to facilitate repayment of loans by Ararat.
6. Repayment. If a resident's financial situation improves while at the Community, Ararat's subsidy may be decreased or eliminated, as determined by Ararat in its discretion. If his or her financial situation improves to the extent that the resident is able to repay all or part of Ararat's subsidy, the resident will be asked to make repayment on terms established by Ararat.
7. Skilled Nursing Facility Residents. Ararat accepts Medi-Cal beneficiaries and accepts the financial terms of the Medi-Cal program, including its prohibition against balance billing.