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9 *of the State of California*

10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

13 **In re:**

14 **BEVERLY COMMUNITY HOSPITAL**
15 **ASSOCIATION, dba BEVERLY**
16 **HOSPITAL (A NONPROFIT PUBLIC**
BENEFIT CORPORATION), et al,

17 Debtors.

- 18 **Affects all Debtors**
19 **Affects Beverly Community Hospital**
20 **Association**
21 **Affects Montebello Community Health**
22 **Services, Inc.**
23 **Affects Beverly Hospital Foundation**

Case No.: 2:23-bk-12359-SK

Jointly administered with:

Case No: 2:23-bk-12360-SK

Case No: 2:23-bk-12361-SK

EXHIBIT TO [PROPOSED] ORDER
APPROVING JOINT STIPULATION TO:

1) APPROVE ATTORNEY GENERAL
CONDITIONS PURSUANT TO
SETTLEMENT; and

2) ENTER ORDER

Hearing: August 17, 2023

Time: 9:00 a.m.

Courtroom: 1575

Judge: Hon. Sandra R. Klein

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EXHIBIT A

California Attorney General Conditions per California Corporations Code sections 5920 et seq.

Attorney General’s Conditions to the Proposed Sale of Assets by Beverly Community Hospital Association dba Beverly Hospital, a California Nonprofit Public Benefit Corporation (“Beverly Hospital”), and Montebello Community Health Services, a California Nonprofit Public Benefit Corporation (“Montebello”), to White Memorial Medical Center dba Adventist Health White Memorial, a California Nonprofit Religious Corporation (“AHWM”) through an Asset Purchase Agreement.

In connection with these Conditions:

(i) the Attorney General, Beverly Hospital, Montebello, and AHWM acknowledge they have entered into a Stipulation in connection with the Chapter 11 Bankruptcy Cases of Beverly Hospital and Montebello and the sale transaction pursuant to the Asset Purchase Agreement;

(ii) pursuant to the Stipulation, these Conditions shall become effective as of the Closing of the sale of assets pursuant to the Asset Purchase Agreement; and

(iii) the Closing under the Asset Purchase Agreement contemplates that, at the Effective Time (as defined in the Asset Purchase Agreement), the Entities listed in Condition I have applied to and received licensing and regulatory approvals from the California Department of Public Health for a single consolidated license, as defined in Health and Safety Code section 1250.8, for operation of general acute care services and emergency medical services at the facility site currently operated as Beverly Hospital, located at 309 West Beverly Boulevard, Montebello, California 90640 (the “Montebello Campus”), and for operation of the general acute care hospital facility Adventist Health White Memorial, located at 1720 East Cesar E. Chavez Avenue, Los Angeles, California 90033 to extend its licensure and operations to the Montebello Campus.

I.

These Conditions shall be legally binding on the following entities: AHWM, and any successor, successor in interest, or assignee of AHWM with respect to the operations of the Montebello Campus (the “Entities”). AHWM is a subsidiary of Adventist Health System/West, a California nonprofit religious corporation (“Adventist Health”). As used in these Conditions, the term “AHWM/Montebello” shall refer to hospital operations conducted by AHWM at the Montebello Campus.¹ As used in these Conditions, the term “Commercially Reasonable” shall mean reasonable, diligent, good faith efforts to accomplish such Condition as would be exercised by a similarly situated hospital in a similar market, in California, with comparable resources, payor mix, and payor rates servicing similar community needs. “Commercially Reasonable efforts” shall not require the infusion of funding or other support from Adventist Health, any of its Affiliates, or any external funding source. As used in these Conditions, “Affiliate” shall mean any person or entity directly or indirectly controlling, controlled by or under common control with AHWM. Except where specifically provided otherwise in these Conditions or as otherwise required by law, the Commercially Reasonable standard shall apply

¹ As used in these Conditions, the terms “AHWM/Montebello” or the “Montebello Campus” shall refer to operations conducted by AHWM at its campus located at 309 West Beverly Boulevard, Montebello, California 90640.

to all obligations under these Conditions except Conditions XXI, XXII, and XXIII. Each of the Conditions shall remain in effect for a period of five (5) years from the closing of the Asset Purchase Agreement (the “Closing Date”).

II.

The transaction approved by the Attorney General consists of the Asset Purchase Agreement, attached hereto as Exhibit 1, by and among Beverly, Montebello, and AHWB dated August 7, 2023, and any and all amendments, agreements, or documents referenced in or attached, including the Sale Order, as an exhibit or schedule to any of the foregoing agreements (“Asset Purchase Agreement”). AHWB will provide written notice to the Attorney General of any proposed material change to the Asset Purchase Agreement in order to allow the Attorney General to consider whether the proposed change affects the factors set forth in Corporations Code Section 5923 and require the Attorney General’s approval. Within one (1) business day of receipt of such notice, the Attorney General shall provide written notice to AHWB that he either (i) approves the proposed change, (ii) does not approve the proposed change or (iii) has determined that the proposed change does not affect the factors set forth in Corporations Code section 5923 and does not require the Attorney General’s approval. If the Attorney General does not respond within one (1) business day of receipt of the notice, then the AG shall have waived any right to disapprove the change.

III.

For five (5) years from the Closing Date, sixty (60) days prior to entering into any agreement or transaction to do any of the transactions described below, the Entities shall be required to provide written notice to the Attorney General setting forth the material terms of the transaction:

- a) Sell, transfer, lease, exchange, option, convey, or otherwise dispose of substantially all of the assets of the Montebello Campus to a non-Affiliate; or
- b) Transfer control, responsibility, management, or governance of substantially all of the assets or operations of the Montebello Campus to a non-Affiliate.

The (i) substitution or addition of a new corporate member or members that transfers control of, responsibility for, or governance of the Montebello Campus; (ii) substitution or addition of one or more members of the governing bodies of the Montebello Campus; or (iii) arrangement, written or oral, that would transfer voting control of the members of the governing body of the Montebello Campus shall also be deemed a transfer for purposes of this Condition.

IV.

For five (5) years from the Closing Date, the Entities shall use Commercially Reasonable efforts to (i) operate an emergency department and a medical/surgical unit supporting such emergency department at the Montebello Campus and (ii) maintain the number of licensed

hospital beds and licensed healthcare services required pursuant to the California Health and Safety Code and accompanying regulations and to obtain all regulatory approvals and/or waivers necessary for purposes of maintaining active licensure, including but not limited to any requirements for licensure or waiver of licensure requirements imposed by the California Department of Public Health (“CDPH”) for such operations. Final determinations regarding the actual number of beds licensed, staffed, and operated or specific services and service lines, other than the emergency department and a medical/surgical unit supporting the emergency department, that will be available at the Montebello Campus shall be made by AHWM in its sole discretion.²

V.

For five (5) years from the Closing Date, the Entities shall provide Commercially Reasonable levels of staffing, including staffing levels at least at legally mandated minimum levels of staffing or legally approved flex models of staffing, to promote the viability of the Montebello Campus operations, including the emergency department and a medical/surgical unit supporting such emergency department at the Montebello Campus, and any other services added by the Entities to the Montebello Campus in accordance with Condition VI.

VI.

The Entities shall use Commercially Reasonable efforts to meet the following growth targets for the Montebello Campus within five (5) years from the Closing Date, provided that final determinations regarding specific services or service lines available at the Montebello Campus shall be made by AHWM in its sole discretion, and may be affected by demand for services in the Montebello community and license requirements that may impact the nature of services that may be offered at the Montebello Campus:

- Introduce, maintain, and grow capabilities and capacities to furnish cardiac and electrophysiology services and surgeries at the Montebello Campus;
- Add Computed Tomography (CT) scan, Magnetic Resonance Imaging (MRI), and Mammography imaging services at the Montebello Campus;
- Bring surgical capacity and surgery suites online at the Montebello Campus consistent with patient demand and diagnostic need; and

² Nothing in any Condition shall be deemed a waiver of the obligation of the Entities to comply with the notice, application, and review procedures required by sections 1255.1, 1255.2, 1255.25, 1271.1 and 1300 of the Health and Safety Code, as well as the regulations governing the process for requests to suspend or surrender a health facility license or special permit, or to modify, change, reduce, downgrade, eliminate or close any approved service, beds, location or space set forth in Chapter 1 of Division 5 of Title 22 of the California Code of Regulations. If the Entities seek to repurpose the Montebello Campus, or AHWM, including the Montebello Campus, under the single consolidated license for services other than general acute care hospital services, the Entities shall provide notice to the Attorney General of such plans concurrent with submitting an application to CDPH.

- Introduce inpatient behavioral health services at the Montebello Campus.

The Entities shall submit to the Attorney General an annual report that reasonably describes efforts related to the growth targets in accordance with this Condition and consistent with Condition XX.

VII.

For five (5) years from the Closing Date, the Entities shall use Commercially Reasonable efforts to negotiate with the Federally Qualified Health Centers (“FQHCs”) in East Los Angeles generally and the Montebello community specifically, to promote access to hospital services to be provided by AHWM/Montebello for FQHC patients in the Montebello community, with any resulting contracts between AHWM and a FQHC being on terms and conditions reasonable to AHWM in its sole discretion.

VIII.

For five (5) years from the Closing Date, the Entities shall use Commercially Reasonable efforts to extend AHWM’s graduate medical education resources to the Montebello Campus to help support staffing levels.

IX.

For five (5) years from the Closing Date, the Entities commit to reinvest Net Funds produced by the Montebello Campus into providing services to the Montebello community at the Montebello Campus. As used in this Condition, “Net Funds” means revenues from services furnished at the Montebello Campus, including California Hospital Quality Assurance Fee revenue and Disproportionate Share Hospital (“DSH”) Program revenue, less (i) expenses of the Montebello Campus, (ii) joint expenses of AHWM and the Montebello Campus as allocated to the Montebello Campus in proportion to the services provided, (iii) expenses for seismic improvements to the Montebello Campus, and (iv) initial investment costs and repayment of funds and resources from Adventist Health and AHWM provided that annual repayment of any such expenses shall not exceed 15% of the gross revenues of the Montebello Campus. All calculations shall be made in accordance with Adventist Health’s normal accounting practices and capital approval processes provided that those processes shall include practices and processes to effectuate this Condition.

X.

For five (5) years AHWM shall not in connection with the negotiation or renegotiation of any contract with a Medicare Advantage payor or Medi-Cal managed care payor (“Government Program Payor”):

- (i) Expressly or implicitly condition its participation on the participation of another hospital controlled by Adventist Health, or any of its Affiliates (a “Controlled Hospital”), located outside of Los Angeles County; or

- (ii) Expressly or implicitly condition any price or reimbursement terms relating to it on the participation of or agreement to the contract terms relating to a Controlled Hospital outside of Los Angeles County.

Conditioning, explicit or implicit, including any price or reimbursement term, is permitted for any Controlled Hospital in Los Angeles County, including AHW and its Montebello Campus, to facilitate the integration and coordination of care within neighboring hospitals so as to improve patient care, outcomes, and achieve efficiencies.

A Government Program Payor may voluntarily agree to any conditioning or bundling arrangement notwithstanding this Condition. AHW shall ensure that these Conditions are not evaded by its parent, Adventist Health, or any other Affiliate.

XI.

For five (5) years from the Closing Date, AHW will maintain its participation in the traditional Medicare and the traditional Medi-Cal programs, including at the Montebello Campus. AHW, including the Montebello Campus, will use Commercially Reasonable efforts to contract with Medicare Managed Care payors and Medi-Cal Managed Care payors.

XII.

For five (5) years from the Closing Date, patients who present to the emergency department at the Montebello Campus and who require admission as part of or following stabilizing care, if AHW/Montebello is not in a position to provide necessary treatment, then AHW/Montebello will facilitate an appropriate interfacility transfer to the White Memorial campus to furnish such services unless (i) the patient or the patient's treating physician requests a transfer to another hospital facility, (ii) AHW does not have capacity or capability to treat the patient or (iii) an applicable payor's prior authorization policy or procedure related to post-stabilization care requires transfer to a different facility, all consistent with AHW's obligations under the Emergency Medical Treatment and Active Labor Act ("EMTALA") and subject to any regulatory or legal determinations by Los Angeles County's Emergency Medical Services Unit or the California Department of Public Health, as to the appropriateness of any transfers.

XIII.

For five (5) years from the Closing Date, the Entities shall provide charity care at the Montebello Campus consistent with Adventist Health's Financial Assistance Policy ("Financial Assistance Policy") and shall maintain a charity care policy that is no less favorable than Adventist Health's Financial Assistance Policy as of the Closing Date and in compliance with California and Federal law, including providing charity care or discounted payments to patients at or below 400% of the federal poverty level ("FPL") if they are either uninsured or are insured but have high medical costs, and pursuant to California Health and Safety Code Section 127405.

XIV.

Within ninety (90) days from the Closing Date and for five (5) years from the Closing Date, the Entities shall take the following steps to ensure that patients at the Montebello Campus are informed about the Financial Assistance Policy:

a) A copy of the Financial Assistance Policy and the plain language summary of the Financial Assistance Policy shall be posted in a prominent location in the admissions area and any other location at the Montebello Campus where there is a high volume of patient traffic, including waiting rooms, billing offices, and outpatient service settings;

b) A copy of the Financial Assistance Policy, the Financial Assistance Application Form, and the plain language summary of the Charity Care and Cash Price Policies shall be posted in a prominent place on the Montebello Campus's website, as applicable;

c) If requested by a patient, a copy of the Financial Assistance Policy, Financial Assistance Application Form, and the plain language summary shall be sent by mail at no cost to the patient;

d) As necessary and at least on an annual basis, place an advertisement regarding the availability of financial assistance at the Montebello Campus in a newspaper of general circulation in the Montebello community, or issue a Press Release to widely publicize the availability of the Financial Assistance Policy to the Montebello community;

e) On no less than an annual basis, work with affiliated organizations, physicians, community clinics, other health care providers, houses of worship, and other community-based organizations to notify members of the Montebello community (especially those who are most likely to require financial assistance) about the availability of financial assistance; and

f) No later than sixty (60) days after the Closing Date of the Asset Purchase Agreement, train all staff who interact with patients and their families concerning payment of services to make patients and their families aware of and informed about the availability of financial assistance and also provide this training on an annual basis to staff who interact with patients and their families.

XV.

For five (5) years from the Closing Date, the Entities shall provide Community Benefits (as defined below) consistent with its annual "Community Benefits" Plan submitted to the California Department of Health Care Access and Information ("HCAI") for the Montebello community.

“Community Benefits” mean a hospital’s activities, as defined under the California Health and Safety Code,³ intended to address community needs and priorities primarily through disease prevention and improvement of health status, and are not activities or programs provided primarily for marketing purposes or more beneficial to the organization than to the community.

XVI.

The Entities shall comply with EMTALA, 42 U.S.C. §§ 1395cc, 1395dd; Health & Safety Code section 1317; and 42 C.F.R § 489.24.

XVII.

The Entities shall prohibit unlawful discrimination 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 and shall adopt and implement a complaint process and procedure consistent with the policies and procedures in effect as of the Closing Date of the Asset Purchase Agreement. 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.

XVIII.

For five (5) years from the Closing Date, the Entities shall provide communication, language

³ Pursuant to subdivision (d) of Section 123475 of California Health & Safety Code, “community benefits” include, but are not limited to the following: healthcare services for vulnerable populations, including, charity care and unreimbursed cost of providing services to the uninsured, underinsured, and those eligible for Medi-Cal, Medicare, California Children’s Services Program, or county indigent programs; the unreimbursed cost of services included in subdivision (d) of Section 127340 of the Health & Safety Code; financial or in-kind support of public health programs; donation of funds, property, or other resources that contribute to a community priority; health care cost containment, enhancement of access to health care or related services that contribute to a healthier community; services offered without regard to financial return because they meet a community need in the service area of the hospital, and other services including health promotion, health education, prevention, and social services; food, shelter, clothing, education, transportation, and other goods or services that help maintain a person’s health.

and cultural services to patients at the Montebello Campus, including:

- a) Financial Assistance Program applications written in English, Chinese (Cantonese and Mandarin), and Spanish;
- b) Languages spoken at the Montebello Campus either as a primary language or through translation services; and
- c) Deaf and hearing impaired interpreter services and communication aids during the provision of health services or treatment, at no cost to the patient.

XIX.

For five (5) years from the Closing Date, the Entities shall include two (2) representatives from the Montebello community on its AHWM Community Board.

XX.

For five (5) years from the Closing Date, the Entities shall submit to the Attorney General, no later than six (6) months after the conclusion of each year, a report describing compliance with each Condition set forth herein. The Chair(s) of the Board of Directors of AHWM and the Chief Executive Officer of AHWM shall each certify that the report is true, accurate, and complete to their actual knowledge, following reasonable inquiry, and provide documentation of the review and approval of the report by the Board of Directors.

XXI.

At the request of the Attorney General, the Entities shall provide such information as is reasonably necessary for the Attorney General to monitor compliance with these Conditions. The Attorney General will, at the request of an Entity 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.

XXII.

AHWM shall reimburse the Attorney General for its reasonable attorney's fees and reasonable costs incurred in connection with any investigative follow-up by the Attorney General regarding the Conditions pursuant to Corporations Code section 5924, subdivision (c)(3).

XXIII.

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. AHWM shall reimburse the Attorney General for its reasonable attorney's fees and reasonable costs if the Attorney General brings an enforcement action relating to the Conditions and prevails in such action pursuant to Corporations Code section 5926. Any action by the Attorney General to enforce these Conditions shall be brought exclusively in the Superior Court of Los Angeles and any applicable appellate court therefrom and shall not be required to be brought in or receive consent from the Bankruptcy Court, as such term is defined in the Asset Purchase Agreement. [For purposes of compliance with state law requirements on the direct enforceability of settlement agreements in state court, all parties agree to execute a consent to the settlement agreement, whether by signature to any stipulation and order or otherwise, in accordance with California Code of Civil Procedure Section 664.6.

EXHIBIT 1

Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

by and between

BEVERLY COMMUNITY HOSPITAL ASSOCIATION

DBA

BEVERLY HOSPITAL

a California nonprofit public benefit corporation,

MONTEBELLO COMMUNITY HEALTH SERVICES, INC.

a California nonprofit public benefit corporation

(collectively, as “*Sellers*”)

and

WHITE MEMORIAL MEDICAL CENTER

DBA

ADVENTIST HEALTH WHITE MEMORIAL

(as “*Purchaser*”)

Dated: ~~May 23~~ August 7, 2023

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into as of **May 23 August 7**, 2023, by and among Beverly Community Hospital Association d/b/a Beverly Hospital, a California nonprofit public benefit corporation (“**Beverly**”), Montebello Community Health Services, Inc., a California nonprofit public benefit corporation (“**Montebello**” and collectively with Beverly, the “**Sellers**”), and White Memorial Medical Center d/b/a Adventist Health White Memorial, a California nonprofit religious corporation or its designee (“**Purchaser**”) (collectively referred to as the “**Parties**” and each individually a “**Party**”).

RECITALS

A. Beverly is a California nonprofit public benefit corporation that currently has no corporate member and that owns and operates a licensed acute care hospital located at 309 West Beverly Blvd., Montebello, CA 90640 (“**Hospital**”), and provides various outpatient services in the area surrounding the Hospital;

B. Montebello is a California nonprofit public benefit corporation organized to support Beverly and its affiliates, including through the provision of administrative and managerial support, operation of medical and public health education programs, and promotion of the efficient delivery and financing of healthcare in Montebello, Pico Rivera, Monterey Park, El Monte, Whittier, East Los Angeles, California and surrounding communities;

C. Beverly owns and operates (i) the Hospital Property and (ii) the MOB Land, each as defined in Section 1.1(a)(iv) below and leases the MOB Land to Montebello pursuant to the Ground Lease, as defined in Section 1.1(a)(v) below. Montebello (i) holds the ground leasehold interest in the Ground Lease, (ii) owns and operates the buildings and improvements on the MOB Land pursuant to the Ground Lease (the “**MOB Improvements**”), and (iii) owns and operates the Ancillary Property, as defined in Section 1.1(a)(iv) below. The Sellers’ respective ownership and operation of the Hospital, the Hospital Property, the MOB Land, the Ground Lease, the MOB Improvements, and the Ancillary Property may be collectively referred to in this Agreement as, the “**Business**”;

D. Each Seller is a debtor and debtor-in-possession in those certain bankruptcy cases under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the “**Bankruptcy Code**”) filed on April 19, 2023 in the United States Bankruptcy Court for the Central District of DelawareCalifornia (the “**Bankruptcy Court**”), jointly administered under Case No. 23-12359 (collectively, the “**Chapter 11 Case**”);

E. In connection with the Chapter 11 Case and subject to the terms and conditions contained herein, at the Closing, upon the entry of the order, in a form acceptable to Purchaser, determining Purchaser to be the highest or otherwise best bidder with respect to the Assets, authorizing the sale of Assets free and clear of interests in the Assets, and subject to the terms and conditions thereof (the “**Sale Order**”) and the satisfaction of the other conditions to Closing set forth herein, Sellers shall sell, transfer and assign to Purchaser, and Purchaser shall purchase, acquire and accept from Sellers, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, the Assets (as defined in Section 1.1(a) below), and Purchaser shall assume from Sellers the

Assumed Liabilities (as defined in Section 1.1(c) below), all as more specifically set forth herein and in the Sale Order; and

F. The transactions contemplated by this Agreement (the “*Transactions*”) and the documents related thereto (the “*Transaction Documents*”) are subject to the approval of the Bankruptcy Court and will be consummated pursuant to the Bid Protections Order and the Sale Order.

AGREEMENT

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

ARTICLE I SALE AND TRANSFER OF ASSETS; CONSIDERATION; CLOSING

1.1 Sale of Assets.

(a) Subject to the terms and conditions set forth herein and in the Bid Protections Order and the Sale Order, at the Closing, each Seller shall sell, assign, assume and assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase, acquire and accept from each Seller, free and clear of any Encumbrances other than Permitted Exceptions, all of such Seller’s right, title and interest in, to and under all of its assets, properties and rights of every kind and nature, whether real or personal, tangible or intangible, in each case set forth below (collectively, the “*Assets*,” and, for sake of clarity, not including the Excluded Assets):

(i) all trucks, automobiles, trailers and other titled vehicles identified on Schedule 1.1(a)(i) (the “*Titled Vehicles*”);

(ii) all of the tangible personal property owned by Sellers, or to the extent assignable or transferable by Sellers, and used by Sellers primarily in the operation of the Business wherever located, including equipment, furniture, fixtures, machinery, office furnishings and leasehold improvements, including, without limitation, the personal property set forth on Schedule 1.1(a)(ii) (together with the Titled Vehicles, the “*Personal Property*”);

(iii) all of Sellers’ rights, to the extent assignable or transferable, to all licenses, permits, approvals, certificates of exemption, entitlements, conditional use permits, certificates of occupancy, franchises, accreditations and registrations and other governmental licenses, permits or approvals issued to Sellers by any governmental or quasi-governmental authority for use in the operation of the Business (the “*Licenses*”), as set forth on Schedule 1.1(a)(iii) 1.1(a)(iii);

(iv) all of Sellers’ rights, title and interest in and to the following (collectively, the “*Owned Real Property*”):

(a) the land and improvements thereon constituting the Hospital and associated structures as described on Schedule 1.1(a)(iv)(a) (the “Hospital Property”);

(b) the land on which the medical office building located 101 E. Beverly Blvd., Montebello, CA 90640 sits as described on Schedule 1.1(a)(iv)(b) (the “MOB Land”);

(c) the ancillary properties described on Schedule 1.1(a)(iv)(c) (the “Ancillary Property”); and

(d) all plants, buildings, structures, installments, improvements, permits, hereditaments, easements, fixtures, and real property licenses, betterments, additions and improvements in the progress of construction and situated or located thereon, minerals, oil, gas and other hydrocarbon substances in, on or under the real property, and all air rights, water and water rights, development agreements, permits, conditional use permits, entitlements and authorizations issued by any governmental or quasi-governmental authority, all plans and specifications relating to the real property including, without limitation any architectural plans and drawings, any prepaid credits, deposits and prepaid fees and applicable to the real property described in this Section.

(v) all of Sellers’ rights, title and interest in and to all of the following (the “Assigned Leases”):

(a) the real property leases for all real property pursuant to which Sellers lease space as a tenant, subtenant, lessee or sublessee, including the ground leasehold interest pursuant to that certain Ground Lease Agreement dated April 2, 1979 as amended by that certain Addendum to Lease dated April 2, 1979 (the “Ground Lease”) and the leases which are listed on Schedule 1.1(a)(v)(a) (the “Leased Real Property” and, together with the Owned Real Property, the “Real Property”);

(b) the real property leases pursuant to which any Seller is a landlord, sublandlord, lessor or sublessor and that are listed on Schedule 1.1(a)(v)(b) (the “Tenant Leases”); and

(c) all of the following owned by Sellers and used in connection with the Leased Real Property: all plants, buildings, structures, installments, improvements, permits, hereditaments, easements, fixtures, and real property licenses, betterments, additions and improvements in the progress of construction and situated or located thereon, all air rights, water and water rights, development agreements, permits, conditional use permits, entitlements and authorizations issued by any governmental or quasi-governmental authority, and all plans and specifications including, without limitation any architectural plans and drawings.

(vi) all security deposits related to or arising from the Assets (the “Security Deposits”);

(vii) all Intellectual Property used primarily or held for use primarily in, or otherwise primarily relating to, the Business that is owned or purported to be owned or licensed or purported to be licensed, in whole or in part, by or to Sellers;

(viii) all portions of goodwill associated with the Business;

(ix) to the extent transferable or assignable, any easements, hereditaments, appurtenances, entitlements, development rights, mineral rights, oil, gas and other hydrocarbon substance rights, water rights, and air rights, and plans and specifications including, without limitation any architectural plans and drawings that may exist in connection with the Business;

(x) all of Sellers' interest in, and all of Sellers' obligations due under, from and after the Effective Time, all executory contracts and unexpired leases of personal property (including purchase orders) listed on **Schedule 1.1(a)(x)** (the "**Assigned Contracts**"), provided, however, Purchaser shall have the right to amend **Schedule 1.1(a)(x)** to either add or remove an Assigned Contract at any time up to the ~~entry of the Sale Order~~ Closing Date;

(xi) to the extent transferable or assignable, all inventories of supplies, drugs, food, janitorial and office supplies and other disposables and consumables (i) located at the Hospital, or (ii) used in the operation of the Hospital (subsections (i) and (ii) together, the "**Inventory**");

(xii) all prepaid rentals, deposits, prepaid fees, and other prepayments and similar amounts relating to the Assigned Contracts and/or the Assigned Leases (the "**Prepays**");

(xiii) consistent with applicable Law, all or any portion of Hospital's medical, clinical, and other records, including images and films, whether in electronic, hard copy, or other format, directly or indirectly associated with services provided to Hospital Patients to the extent set forth on **Schedule 1.1(a)(xiii)** (the "**Patient Records**");

(xiv) the financial, operating, equipment, construction, medical, administrative and other records and files (including patient billing, other financial and marketing information, whether or not included as part of the Patient Records), including, without limiting the generality of the foregoing, any and all records and lists of the Sellers pertaining to the Assets, the Hospital, customers or suppliers of the Sellers, and all books, ledgers, files, reports, plans, drawings and operating records of every kind, but excluding any Excluded Assets (the "**Books and Records**");

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

(xvi) Sellers' right or interest in the telephone numbers, facsimile numbers, websites held or used with respect to the operation of the Business;

(xvii) All intangible assets, including without limitation the names, logos and symbols used by Sellers, including in connection with the Business;

(xviii) computer software, programs, hardware, data processing equipment, manuals and related documentation;

(xix) all claims, causes of action, choses in action, rights of recovery, rights of set-off and rights of recoupment of Sellers against third parties related to or associated with the physical condition of any of the Assets, the Assigned Contracts, and the Assigned Leases and causes of action under Chapter 5 of the Bankruptcy Code against counterparties to Assumed Contracts and Assumed Leases; and

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

(b) Excluded Assets. Notwithstanding the foregoing, Purchaser expressly understands and agrees that it is not purchasing or acquiring, and each Sellers is not selling, transferring or assigning, any of the following assets or properties of such Sellers (the “Excluded Assets”):

(i) Cash as of the Closing, other than Security Deposits;

(ii) the Sellers’ rights pursuant to or under this Agreement (including the right to receive and retain the Purchase Price) and any Transaction Document;

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

(iv) all rights to settlements and retroactive adjustments, if any, of payments made to Sellers related to services for Medicare, Medi-Cal and any other cost reports, for claims submitted prior to the Effective Time or for cost reporting periods prior to the Effective Time pursuant to the auditing and settlement of Sellers’ cost reports, appeals and other risk settlements, including Medicare bad debt;

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

(vi) all ~~disproportionate—share—hospital~~ Medi-Cal Disproportionate Share Hospital Program payments received on or after the Effective Time but calculated based on data from periods prior to the Effective Time (whether received before or after the Effective Time and whether paid to Sellers or Purchaser);

(vii) all payments due to the Sellers under the California Department of Health Care Services Hospital Quality Assurance Fee Program from the State of California or any of its administrative entities or other entities, including without limitation Medi-Cal managed care plans, payments or grants due to the Sellers from the California Health Foundation & Trust, cost report, claims, electronic health records or similar appeals and the Sellers Cost Report settlements in each case arising from the rendering of services and the provision of goods, products or supplies to inpatients and outpatients at the Hospital prior to the Effective Time;

(viii) all Medicare Accelerated and Advance Payments, COVID-19 Funds and any other accelerated payments from third party payors related to time periods prior to the Effective Time;

(ix) all intercompany receivables of the Business or Sellers with any Affiliates;

(x) all Sellers Plans and the assets of all Sellers Plans and any asset that would revert to the employer upon the termination of any Sellers Plans, including any assets representing a surplus or overfunding of any Sellers Plans;

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

(xii) all unexpired leases of real property that have not been designated as Assigned Leases, and any contracts and unexpired leases of personal property that have not been designated as Assigned Contracts (collectively, the "***Excluded Contracts***") and all rents, deposits, prepayments, and similar amounts relating thereto; and the right to payment of all Unpaid Amounts;

(xiii) the portions of Inventory, Prepaids, and other assets disposed of, expended or canceled, as the case may be, by Sellers prior to the Effective Time in the Ordinary Course of Business;

(xiv) all of Sellers' organizational or corporate record books, minute books and tax records;

(xv) all insurance policies and contracts and coverages obtained by Sellers or listing Sellers as an insured party, a beneficiary or loss payee, including prepaid insurance premiums, and all rights to insurance proceeds under any of the foregoing, and all subrogation proceeds related to any insurance benefits arising from or relating to (i) Assets prior to the Effective Time, or (ii) Excluded Assets;

(xvi) all unclaimed property of any third party as of the Effective Time, including property that is subject to applicable escheat laws;

(xvii) all bank accounts of Sellers;

(xviii) all writings and other items that are protected from discovery by the attorney-client privilege, the attorney work product doctrine or any other cognizable privilege or protection;

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

(xx) any rights or documents relating to any other Excluded Assets and/or Excluded Liability;

(xxi) all deposits and investment accounts or other prepaid charges and expenses paid in connection with or relating to any other Excluded Assets and/or Excluded Liabilities;

(xxii) any (1) personnel files for employees of Sellers; (2) all documents, records, correspondence (including with respect to any employees), work papers, or other books and records that Sellers are required by Law to retain; provided that Seller shall make copies of records available to Purchaser in connection with its interview process, evaluation and hiring of Business Employees as provided herein;

(xxiii) all claims, counterclaims, and causes of action of ~~the Sellers arising under sections 544, 547, 548, 5549, and 550 of the Bankruptcy Code;~~ and each Seller or each Seller's bankruptcy estate (including parties acting for or on behalf of a Seller's bankruptcy estate, including, but not limited to, The Official Committee of Unsecured Creditors (the "**Committee**") appointed in the Chapter 11 Case) not specifically set forth in Section 1.1(a)(xix) with respect to amounts overpaid by Sellers to any third parties with respect to a period prior to the Effective Time in connection with the operation of the Business (e.g., such overpaid amounts may be determined by billing audits undertaken by Seller or Seller's consultants), causes of action arising out of any claims and causes of action under Chapter 5 of the Bankruptcy Code and any related claims, counterclaims, and causes of action under applicable non-bankruptcy law, and any rights to challenge liens asserted against property of each Seller's bankruptcy estate, including, but not limited to, liens attaching to the payments made to Seller pursuant hereto, and the proceeds from any of the foregoing; and

(xxiv) those assets of Sellers specifically identified on **Schedule 1.1(b)(xxiv)**.

(c) Assumption of Certain Liabilities. On and subject to the terms and conditions of this Agreement and the Sale Order, at the Closing, Purchaser shall assume and agree to pay, perform and discharge when due only the following Liabilities (collectively, the "**Assumed Liabilities**"):

(i) all Liabilities arising out of or relating to the ownership of the Assets after the Effective Time;

(ii) all Cure Costs, up to a maximum amount of ~~Five Hundred Thousand Dollars (\$500,000)~~ 1,257,743.32;

(iii) all Liabilities arising under the Assigned Leases and Assigned Contracts, in each case arising after the Effective Time;

(iv) all Liabilities for Taxes relating to the Assets or the Assumed Liabilities for any taxable period (or portion thereof) after the Effective Time;

(v) all Liabilities of the Sellers with respect to Permitted Exceptions;
~~and~~

(vi) all other Liabilities expressly assumed by Purchaser under this Agreement or any other Transaction Document; and

(vii) any CMS Settlement.

(d) Excluded Liabilities. Purchaser shall have those duties, obligations and liabilities set forth in this Agreement, the Bill of Sale, the Transfer Agreement, the Medical Records Custodial Agreement, and the Real Estate Assignments and shall be responsible for the Assumed Liabilities. However, except as expressly set forth herein, Purchaser is not assuming any other liabilities of Sellers, including, without limitation, liabilities related to the Excluded Assets, Excluded Contracts, or Sellers' employees (including any obligations under any employee benefit plan or WARN) or the Business, and is purchasing the Assets free and clear of the Encumbrances except the Permitted Exceptions and shall not be deemed a successor to Sellers by reason of any theory of law or equity with respect to any claims or liens against Sellers or the Assets (the "***Excluded Liabilities***"). For the avoidance of doubt, the Excluded Liabilities specifically include liabilities arising under or in connection with the following contracts: (i) that certain Credit Agreement, dated February 1, 2023, between Beverly and AHMC Healthcare, Inc.; (ii) the Master Indenture; and (iii) that certain Revolving Loan Agreement, dated August 1, 2019, by and between Beverly and Hanmi Bank.

1.2 Purchase Price; Deposit; Closing Statement.

(a) The aggregate consideration (collectively, the "***Purchase Price***") to be paid by Purchaser for the Assets acquired by Purchaser hereunder shall consist of:

(i) ~~\$20,000,000 in cash~~ 23,546,000 in cash provided that the following shall be credited to the cash purchase price: (1) \$346,000, which shall applied to Purchaser's Expense Reimbursement allowed under the Bidding Procedures Order; plus

(ii) The amount of cash required to repay, in full, the outstanding obligations as of Closing under that certain Senior Secured Superpriority Debtor-in-Possession Credit Agreement (the "***DIP Facility Credit Agreement***") provided by HRE Montebello, LLC (the "***DIP Lender***") not to exceed ~~\$14,100,000~~ 14,240,000 (the "***DIP Facility Repayment Amount***"); *plus*

(iii) the Assumed Liabilities: plus

(iv) \$123,333 for each day that Purchaser does not close the Transaction due to (i) the existence of an uncured breach of the Agreement by Purchaser or (ii) the failure of the condition precedent set forth in Sections 7.4, 7.7, 7.10, or 7.11, beginning the 31st day following the date of execution of this Agreement, up to a maximum amount of \$3,700,000.

(b) Purchaser Deposit. ~~In accordance with the Bid Protections Order,~~ Purchaser and Sellers will enter into an escrow agreement (as amended, supplemented, amended and restated or otherwise modified from time to time, the “***Escrow Agreement***”), with First American Title Insurance Company (the “***Escrow Holder***”). Concurrently with the execution and delivery of the Escrow Agreement, Purchaser shall deposit \$2,250,000 (the “***Purchaser Deposit***”) with the Escrow Holder by wire transfer of immediately available funds. The Escrow Holder will hold the Purchaser Deposit until the Closing or earlier termination of this Agreement in a segregated account (the “***Escrow Account***”) pursuant to the terms below and otherwise in accordance with the terms of the Escrow Agreement. Purchaser, on the one hand, and Sellers, on the other hand, shall share equally all costs under the Escrow Agreement, including any fee of the Escrow Holder. The Purchaser Deposit shall become payable, and shall be paid, to the Sellers at the Closing. At the Closing, Purchaser and Sellers shall instruct the Escrow Holder to deliver the Purchaser Deposit to Sellers by wire transfer of immediately available funds into an account designated by Sellers pursuant to the terms and conditions of the Escrow Agreement. If this Agreement is validly terminated prior to the Closing, the Purchaser Deposit shall be released and distributed to Purchaser or Sellers, as applicable, in accordance with the terms of the Escrow Agreement and Section 8.2 of this Agreement. If there is a dispute concerning the reason for termination of this Agreement, the disputing party shall provide notice to same to Escrow Holder and the Purchaser’s Deposit shall be handled and distributed in accordance with the provisions of Escrow Agreement pertaining to such dispute. In the event of any termination of this Agreement then each party covenants and agrees that such party shall promptly provide Escrow Holder with such instructions as may be reasonable and necessary to cause Escrow Holder to release the Purchaser’s Deposit to the party entitled thereto. In the event of any termination of this Agreement due to an uncured default of a party, then the defaulting party shall pay all cancellation costs imposed by the Escrow Holder. In the event of termination of this Agreement for any other reason, the cancellation costs imposed by Escrow Holder shall be split equally by Purchaser and Sellers. If there is a conflict between the Escrow Agreement and this Agreement, the terms of this Agreement shall prevail.

(c) No later than three (3) business days prior to the Closing, Sellers shall deliver to Purchaser a closing statement (the “***Closing Statement***”) setting forth a statement of the recipient and amount of all disbursements to be made pursuant to Section 1.2(a). The Closing Statement sets forth the wire transfer instructions of a payment to Sellers of the Purchase Price less the Purchaser Deposit, the Prorated Charges applicable to Sellers, and the other amounts due and payable pursuant to Section 1.6, by wire transfer of immediately available funds.

(d) Notwithstanding any other provision in this Agreement, the Parties may deduct and withhold any withholding taxes required under the Code to be deducted and withheld

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

1.3 Closing Date; Proceedings at Closing.

(a) The consummation of the Transactions contemplated by this Agreement (the "***Closing***") shall take place remotely via the exchange of documents, signature pages and payments, and the day on which the Closing actually occurs shall be referred to as the "***Closing Date***." The Closing shall occur within three (3) business days following the satisfaction or waiver of the conditions as set forth in Article VI and Article VII. The Closing shall be deemed to occur and to be effective as of 12:01 a.m. Pacific Time on the day immediately after the Closing Date (the "***Effective Time***").

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

1.4 Items to be Delivered by Sellers at Closing. At or before the Closing, Sellers shall deliver to Purchaser and/or to Escrow Holder for recordation or delivery at Closing, as applicable. if and to the extent required by the Title Company for issuance of the Title Policy at Closing the following:

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

(b) Real estate assignment agreements (the "***Real Estate Assignments***") substantially in the form of **Exhibit 1.4(b)** attached hereto with respect to the Assigned Leases, each duly executed by the applicable Sellers;

(c) Limited warranty deeds, with respect to the Owned Real Property, in a form mutually agreed to by the Parties, duly executed by Sellers;

(d) assigned contract transfer agreements (the "***Transfer Agreements***") substantially in the form of **Exhibit 1.4(d)** attached hereto, duly executed by the applicable Sellers;

(e) a Medical Records Custodial Agreement, substantially in the form of **Exhibit 1.4(e)** attached hereto (the “**Medical Records Custodial Agreement**”), duly executed by Sellers;

(f) [the Staffing Agreement \(as defined below\), duly executed by Sellers;](#)

(fg) Real estate general assignment agreements (the “**General Assignments**”), as applicable, substantially in the form of **Exhibit 1.4(f)** attached hereto with respect to the Real Property, each duly executed by the applicable Sellers;

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

(hi) the Closing Statement, duly executed by Sellers;

(ij) a certificate of the corporate secretary of each Seller certifying to (A) such entity’s articles of incorporation and bylaws (or similar governing documents), (B) the adoption of resolutions of such entity approving the Transactions contemplated hereby, and (C) the incumbency of the officer signing this Agreement and other Transaction Documents on behalf of such entity (together with specimen signatures) (the “**Sellers’ Secretary Certificates**”);

(jk) a certificate of the president of each Seller certifying to (A) all of the representations and warranties by each Seller contained in this Agreement are true and correct, (B) each and every covenant and agreement of each Seller to be performed prior to and at the Closing has been duly performed in all material respects, and (C) the incumbency of the corporate secretary (together with specimen signatures) (the “**Sellers’ Officer Certificates**”);

(kl) a limited power of attorney for use of DEA and Other Registration Numbers, and DEA Order Forms, or other certificates, permits, licenses or accreditations, as necessary, in the form of **Exhibit 1.4(k)** attached hereto (the “**Power of Attorney**”), duly executed by each applicable Seller and any necessary individuals; and

(lm) any such other instruments, certificates, consents or other documents which the Parties and/or Escrow Holder and/or Title Company deem reasonably necessary to carry out the Transactions contemplated by this Agreement and to comply with the terms hereof.

1.5 **Items to be Delivered by Purchaser at Closing.** At or before the Closing, Purchaser shall deliver or cause to be delivered to Sellers and/or to Escrow Holder for recordation or delivery at Closing, as applicable. if and to the extent required by the Title Company for issuance of the Title Policy at Closing the following:

(a) payment of the cash portion of the Purchase Price, less the Purchaser Deposit and any other adjustments reflected on the Closing Statement, by wire transfer of immediately available funds to the account(s) specified in writing by Sellers and/or Escrow Holder;

(b) a certificate of the corporate secretary of Purchaser certifying to (A) Purchaser’s certificate of incorporation and bylaws (or similar governing documents), (B) the adoption of resolutions of Purchaser approving the Transactions contemplated hereby, and (C)

the incumbency of the officer signing this Agreement and other Transaction Documents on behalf of Purchaser (together with their specimen signatures) (the “Purchaser’s Secretary Certificate”);

(c) a certificate of the president of Purchaser certifying to (A) all of the representations and warranties by Purchaser contained in this Agreement are true and correct, (B) each and every covenant and agreement of Purchaser to be performed prior to and at the Closing has been duly performed in all material respects, and (C) the incumbency of the corporate secretary (together with a specimen signature) (the “Purchaser’s Officer Certificate”);

(d) the Closing Statement, duly executed by Purchaser;

(e) the Bills of Sale, duly executed by Purchaser;

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

(g) the General Assignments, as applicable, duly executed by the Purchaser;

(h) the Medical Records Custodial Agreement, duly executed by Purchaser;

(i) the ~~Transfer Agreements~~ Staffing Agreement, duly executed by Purchaser;

(j) the Transfer Agreements, duly executed by Purchaser;

(~~j~~k) the Power of Attorney, duly executed by Purchaser;

(~~k~~l) Preliminary Change of Ownership Report, duly executed by Purchaser;

and

(~~l~~m) any such other instruments, certificates, consents or other documents which Purchaser and Sellers and/or Escrow Holder and/or Title Company mutually deem reasonably necessary to carry out the Transactions contemplated by this Agreement and to comply with the terms hereof.

1.6 Prorations and Utilities. All items of income and expense listed below with respect to the Assets shall be prorated in accordance with the principles and the rules for the specific items set forth hereafter:

(a) All transfer, conveyance, sales, use, stamp, recording, license, documentary, registration, excise and similar state and local taxes and fees arising from the Transactions contemplated under this Agreement and not exempted under the Sale Order, by Section 1146(c) of the Bankruptcy Code (collectively, “Transfer Taxes”) hereunder shall be the responsibility of, and allocated to, Purchaser.

(b) The following costs and expenses for a payment or assessment period (*i.e.*, calendar or other year or period) that includes, but does not end on, the Closing Date shall be prorated on a daily basis: (i) all real estate and personal property lease payments, real estate, personal property and ad valorem taxes (“Property Taxes”); (ii) all real estate assessments and

other similar charges against real estate, (iii) utility charges, (iv) Prepays, and (v) other similar costs for, items or services to be assumed by Purchaser that continue past the Effective Time (collectively, the “***Prorated Charges***”). Sellers shall bear and be responsible for the Prorated Charges that are allocable to the portion of the applicable payment or assessment period prior to the Effective Time, and Purchaser shall bear and be responsible for the Prorated Charges that are allocable to the portion of the applicable payment or assessment period from and after the Effective Time. Sellers shall pay at or prior to the Closing (or Purchaser shall receive credit for) any unpaid Prorated Charges attributable to periods or portions thereof occurring on or prior to the Closing Date, and Purchaser shall be responsible for or, to the extent previously paid by Sellers, pay to Sellers at the Closing all Prorated Charges attributable to periods or portions thereof occurring from and after the Effective Time. If as of the Closing Date the actual Property Tax bills for the tax period, year or years in question are not available and the amount of Property Taxes to be prorated cannot be ascertained with certainty, then rates, mileages and assessed valuation of the previous year or period, with known changes, shall be used. As to power and utility charges, “final readings” as of the Closing Date shall be ordered from the utilities if the same are available. If such readings are not available, then the parties shall estimate prorated utilities based on the most recently available billing information, as applied to the billing cycle during which the Closing Date occurs, and once such final billing information for such billing cycle becomes available, the parties shall, at either Party’s written request, re-prorate in accordance with this Section 1.6(b) and the actual billed amount.

(c) Sellers shall be entitled to all rents and other payments under Tenant Leases owing or accruing for or with respect to the period prior to the Effective Time (“***Pre Effective Time Lease Amounts***”), and Purchaser shall be entitled to all rents and other payments under Tenant Leases owing or accruing for or with respect to the period on and after the Effective Time (“***Post Effective Time Lease Amounts***” and together with the Pre Effective Time Lease Amounts, the “***Lease Amounts***”). All Lease Amounts that are collected prior to the Closing shall be prorated as of the Closing in accordance with the immediately preceding sentence, including all rents and other tenant reimbursements relating to the property or building containing the leased premises, including, without limitation, parking revenues, additional rent, common area maintenance charges, contributions and reimbursements from tenants for operating expenses. To the extent the amount of any portion of such Lease Amounts have accrued prior to the Effective Time but are subject to adjustment between landlord and tenant (e.g., tenant’s reimbursements for operating expenses), such Lease Amounts shall nevertheless be prorated at Closing based on such estimates, and such prorations shall be final at Closing and not subject to post-Closing adjustment or reconciliation between Sellers and Purchaser. All Lease Amounts that are accrued or owing with respect to the period prior to the Effective Time, but unpaid as of the Closing (including rents and other payments accrued prior to the Closing but payable in arrears after the Closing) (collectively, the “***Unpaid Amounts***”), shall not be prorated at Closing and belong to Sellers, and Purchaser shall, upon receipt of said rents and other payments, receive the same in trust for Sellers, and shall promptly remit any of such amounts to Sellers within ten (10) days after Purchaser’s determination that such amount constitutes an Unpaid Amount. Purchaser shall collect any Unpaid Amounts; provided, however, that Purchaser shall not be required to evict any tenant or commence litigation or other proceedings against any tenant. As to any Unpaid Amounts that are not collected and paid to Sellers within ninety (90) days after the Closing Date, Sellers may pursue all lawful collection efforts against the delinquent tenant;

provided, however, that Sellers shall not have any right to commence dispossessory proceedings or otherwise evict any tenant from its premises.

(d) This Section 1.6 shall survive Closing.

1.7 Risk of Loss. The risk of loss or damage to any of the Assets, Owned Real Property, the Business and all other property, transfer of which is contemplated by this Agreement, shall remain with Sellers until the Effective Time, and Sellers shall maintain such insurance policies of Sellers as are in effect on the date of the execution of this Agreement, or comparable policies of insurance covering the Assets, Owned Real Property, the Business and all other property until the Effective Time.

(a) With respect to the Real Property, if prior to the Closing, all or any material part of the Real Property is destroyed or materially damaged by fire or the elements or by any other cause (any such damage or destruction, a “*Casualty*”) or is made subject to an eminent domain proceeding (“*Condemnation*”), Sellers shall promptly (but not less than five (5) days after obtaining actual knowledge of such destruction, damage, or condemnation) deliver written notice of such destruction, damage or condemnation to Purchaser, which notice shall describe such destruction or damage or proceeding in reasonable detail.

(b) With respect to any Assets other than the Real Property that are destroyed or materially damaged by a Casualty prior to the Closing, Sellers shall assign, transfer and set over to Purchaser all of Sellers’ right, title and interest to any insurance proceeds on account of such damage or destruction, and shall reimburse Purchaser for any deductible Purchaser is required to pay in connection with the receipt of such insurance proceeds.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLERS

As an inducement to Purchaser to enter into this Agreement and to consummate the Transactions, Sellers hereby represent and warrant to Purchaser, as to the matters set forth in this Article as of the date of this Agreement and the Closing Date, subject to the disclosure set forth in the disclosure schedule provided by Sellers to Purchaser, as may be amended pursuant to the terms of this Agreement (the “*Disclosure Schedules*”).

With respect to each Seller, the term “*Material Adverse Effect*” means any event, change or occurrence that, individually or in the aggregate with other events, changes or occurrences, has had or would reasonably be expected to have, a material adverse effect on such Seller’s financial condition, the Business or the Assets; provided, however, that a Material Adverse Effect shall not include any event, change or occurrence, directly or indirectly, arising out of, or attributable to: (a) general economic or political conditions, (b) conditions generally affecting the industries in which the Business operates, (c) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates, (d) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Purchaser, (e) any changes in applicable Laws or

accounting rules (including United States generally accepted accounting principles), (f) the announcement, pendency or completion of the Transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors, or others having relationships with Sellers and the Business, (g) any natural or man-made disaster or acts of God, (h) any epidemic, pandemic or disease outbreak (including COVID-19), or (i) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

2.1 Authorization. Each of the Sellers has all necessary corporate power and authority to enter into this Agreement and to carry out the Transactions contemplated hereby. No other action on the part of either of the Sellers is necessary to authorize the execution, delivery and performance of this Agreement.

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

2.3 Organization and Good Standing.

(a) Each Seller is duly organized, validly existing and in good standing under the Laws of the State of California. Subject to entry of the Sale Order, each of the Sellers has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as presently conducted.

(b) Each of the Sellers is duly qualified or licensed to do business and is in good standing (or the equivalent thereof) in each jurisdiction in which the property owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary.

2.4 Authority and Enforceability. Subject to the entry of the Sale Order,

(a) Each of the Sellers has all requisite corporate power and authority to execute and deliver this Agreement and each of the Transaction Documents to which such Sellers is or will be a party, and to consummate the Transactions contemplated hereby; and

(b) This Agreement and each of the Transaction Documents to which each of the Sellers is a party have been (or, in the case of each Transaction Document to which a Seller will be a party, will be) (i) are duly and validly executed and delivered by such Seller and (ii) constitute a valid, legal and binding agreement of such Seller, enforceable against such Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at Law or in equity).

2.5 Consents and Approvals; No Violations; No Conflicts.

(a) Except (i) as set forth in Section 2.5(a) of the Disclosure Schedules, and assuming the accuracy of the representations and warranties set forth in Section 3.3, (ii) as may be necessary as a result of any facts or circumstances relating solely to Purchaser or any of its Affiliates, (iii) approval of the California Attorney General, and (iv) as may be required pursuant to the Bankruptcy Code, the Bid Protections Order or the Sale Order, and after taking into account the effect of the Sale Order under the Bankruptcy Code, no material filing with or material notice to, and no material permit, authorization, consent or approval of, or material Order of, any court or tribunal or administrative, governmental or regulatory body or agency (a “***Governmental Entity***”) or any other Person is necessary for the execution and delivery by such Sellers of this Agreement or the consummation by such Sellers of the Transactions contemplated hereby.

(b) Subject to the entry of the Sale Order and any other order(s) necessary to consummate the Transactions contemplated by this Agreement, neither the execution, delivery or performance of this Agreement by either Seller nor the consummation by such Seller of the Transactions contemplated hereby will:

(i) conflict with or result in any breach of any provision of the articles of incorporation or bylaws, of either of the Sellers or any Affiliate thereof, respectively;

(ii) except as set forth in Section 2.5(b) of the Disclosure Schedules, result in a material violation or material breach of, or cause acceleration, or constitute (with or without due notice or lapse of time or both) a material default (or give rise to any material right of termination, modification, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which either of the Sellers or any Affiliate thereof, respectively, is a party or by which such Seller or any Affiliate thereof or any of such Seller’s or any Affiliate of such Seller’s properties or assets may be bound;

(iii) violate any Order or Law applicable to either of the Sellers or any Affiliate thereof, respectively, or any of such Seller’s or any Affiliate of such Seller’s properties or assets; or

(iv) result in the creation or imposition of any Encumbrance on any of the Assets, except for Permitted Exceptions.

2.6 Brokers. Except as set forth in Section 2.6 of the Disclosure Schedules, no broker, finder or investment banker is entitled to any broker’s, finder’s or investment banker’s fee or commission in connection with the Transactions contemplated by this Agreement based upon arrangements made by and on behalf of either of the Sellers.

2.7 Real and Personal Property.

(a) Each of the Sellers has delivered the preliminary reports of title, including copies of or access to all material underlying title documents listed thereon for all Owned Real Property;

(b) There are no eminent domain proceedings or zoning or other public land use proceedings pending and served upon Sellers, or, to the Knowledge of Sellers, threatened in writing by a governmental authority against the Owned Real Property.

(c) To the Knowledge of Sellers, copies of all material documents in its possession comprising the Lessor Lease and the Tenant Leases have been provided to Purchaser in Seller's electronic data room. To the Knowledge of Sellers, there is no Person in possession of any portion of the premises leased under the Lessor Lease or any Tenant Leases, other than as permitted pursuant to the terms of respective lease agreements. Except as disclosed in Section 2.7(c) of the Disclosure Schedules, no party to any Lessor Lease or Tenant Leases has delivered any notices of default.

(d) Except as disclosed in Section 2.7(c) of the Disclosure Schedules, with respect to the Real Property:

(i) Except for this Agreement, there is no option or purchase right which grants any party the right to acquire the Real Property or any portion thereof and which remains pending; and

(c) to the Knowledge of Sellers there are no violations of any applicable Law or requirement of any governmental agency, body or subdivision affecting or relating to the Real Property, including, without limitation, any environmental law, ordinance, rule, requirement or regulation.

2.8 Certain Other Representations with Respect to the Business.

(a) Except as set forth in Section 2.8(a) of the Disclosure Schedules, during the three (3) years prior to the Closing Date all activities of each of the Sellers with respect to the Business have been, and are currently being, conducted in compliance in all material respects with all Healthcare Laws. Except as set forth in Section 2.8(a) of the Disclosure Schedules, during the three (3) years prior to the Closing Date, neither of the Sellers nor, to the Knowledge of Sellers, any of their respective employees, officers, directors and managers (each in their respective capacity as an employee, officer, director or manager of a Seller with respect to the Business) has received any written notice of any pending or threatened investigation from any Governmental Entity with respect to an alleged material violation of any Healthcare Law in the conduct of the Business.

For purposes of this Agreement, "Healthcare Laws" means Laws relating to the licensure, certification, qualification or authority to transact business relating to the provision of, or payment for, or both the provision of and payment for, health benefits, healthcare or insurance coverage, including ERISA, COBRA, the State Children's Health Insurance Program, Medicare, Medicaid, TRICARE, and Laws relating to the regulation of fraud and abuse, false claims and patient referrals; Laws governing the federal Medicare (including Medicare Part D and Medicare Advantage), Medicaid, Medicaid-waiver, and CHAMPUS/TRICARE programs, any federal

healthcare program as defined in 42 U.S.C. § 1320a-7b(f), and any state healthcare program as defined in 42 U.S.C. § 1320a-7(h) or as otherwise set forth under applicable state Law (“**Healthcare Programs**”) and the delivery and payment of healthcare services; Laws governing billing and submission of a claim to a Healthcare Program or other payor, including reimbursement, payments, and cost reporting and other Healthcare Program or healthcare services reimbursement requirements; the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)) and the regulations promulgated thereunder, and its state law counterparts; the Federal Civil Monetary Penalty Provisions (collectively, 42 U.S.C. § 1320a-7a and 31 U.S.C. § 3801 *et seq.*); the federal False Claims Act, and its state law counterparts; the Stark Law, and its state law counterparts; survey, certification and standards as each relates to the eligibility of Sellers for obtaining governmental authorizations required in any state where they conduct business or required for Sellers to participate in any Healthcare Program; medical records and patient medical information privacy and security Laws, including the requirements of HIPAA and its state law counterparts; Laws governing treatment and reporting by Sellers relating to infectious diseases or other public health reporting; corporate practice of medicine doctrines and similar restrictions on ownership of any Person and the performance of professional medical services by any Person.

(b) Each of the Sellers has all material licenses, permits, certificates and other authorizations, consents and approvals of any Governmental Entity that are required to operate the Business as currently operated in the ordinary course under any Laws, including provider agreements with the Medicare and Medi-Cal programs (including their respective administrative contractors) and TRICARE, except where the failure to have such licenses, permits, certificates or other authorizations, consents, or approvals would not and would not reasonably be expected to interfere, in any material respect, with the operation of the Business.

(c) The Hospital is duly accredited by the NIAHO Hospital Accreditation Program.

(d) The Hospital is certified for participation in the Medicare, Medi-Cal and TRICARE programs, and has current and valid provider contracts with each of such programs, and is in compliance in all material respects with the conditions of participation of such programs.

(e) No current employee at the Hospital has been excluded from participating in any federal healthcare program (as defined in 42 U.S.C. §1320a-7b(f)). None of Sellers or the Hospital’s current officers, directors or employees (as such term is defined in 42 U.S.C. §1320a-5(b)), has been excluded from Medicare, any federal healthcare program (as defined in 42 U.S.C. §1320a-7b(f)) or Medicaid or been subject to sanction pursuant to 42 U.S.C. §1320a-7a or 1320a-8 or been convicted of a crime described at 42 U.S.C. §1320a-7b. To the Knowledge of Sellers, no individual providing services to the Hospital has failed to maintain such individual’s current license to provide the services required to be provided by it to or on behalf of the Hospital. Except as set forth in Section 2.8(e) of the Disclosure Schedule, there are no material pending or, to the Knowledge of Sellers, threatened disciplinary or corrective actions or appeals with respect to the medical or other staff members of the Hospital.

(f) Except as set forth in Section 2.8(f) of the Disclosure Schedules:

(i) Sellers are, and for the past three (3) years have been in compliance in all material respects with the Health Insurance Portability and Accountability Act of 1996, as amended by and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, and their implementing regulations (collectively referred to herein as “*HIPAA*”) and applicable state laws regulating the privacy and/or security of individually identifiable information (collectively referred to herein as the “*Information Privacy and Security Laws*”).

(ii) no Seller is under audit or investigation by any Governmental Entity for a violation of HIPAA or any applicable Information Privacy or Security Law and has not received any written notices from the United States Department of Health and Human Services Office for Civil Rights or the Attorney General of any state or territory of the United States relating to any such violations, which written notice has not been resolved.

2.9 Medical Staff Matters. Sellers have made available to Purchaser a list of all current members of such medical staff. Except as set forth on Section 2.9 of the Disclosure Schedules, there are no (a) pending or, to the Knowledge of Sellers, threatened adverse actions with respect to any medical staff member of the Hospital or any applicant thereto, including any adverse actions for which a medical staff member or applicant has requested a judicial review hearing that has not been scheduled or that has been scheduled but has not been completed, or (b) pending or, To the Knowledge of Sellers, threatened disputes with applicants, medical staff members or health professional affiliates, and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired.

2.10 Title to Assets.

(a) As of the date of this Agreement and subject to the entry of the Sale Order, the Sellers are the sole and lawful owners of, and have good title to, or a valid leasehold interest in, all of the Assets, free and clear of all Encumbrances other than the Permitted Exceptions.

(b) As of immediately prior to the Closing and subject to the entry of the Sale Order, Sellers are the sole and lawful owners of, and have good title to, or a valid leasehold interest in, and the power to sell, assign or transfer to Purchaser, all of the Assets free and clear of all Encumbrances other than the Permitted Exceptions.

2.11 Assigned Contracts. Sellers have delivered to Purchaser a complete copy of each Assigned Contract, in each case, as amended or otherwise modified and in effect as of the date hereof.

2.12 Labor Matters. Section 2.12 of the Disclosure Schedules sets forth, ~~all material respects,~~ a complete and accurate list of all Business Employees as of the execution date of ~~the filing of the Chapter 11 Case~~ this Agreement, along with the position, status as full-time or part-time, date of hire, union affiliation, base compensation, any other regular compensation (such as bonuses or commissions), status as active or on leave (and if on leave, the nature of the

leave and the anticipated date of return), and status as exempt or non-exempt for purposes of federal and state overtime pay requirements.

2.13 No Other Representations and Warranties. Except for the representations and warranties contained in this Article II (including the related portions of the Disclosure Schedules), neither Sellers nor any other Person makes (and Purchaser is not relying upon) any other express or implied representation or warranty with respect to Sellers, the Business, the Assets (including the value, condition, or use of any Asset), the Assumed Liabilities or the Transactions contemplated by this Agreement, and Sellers disclaim any other representations or warranties, whether made by any Sellers, any Affiliate of Sellers or any of their respective representatives. Except for the representations and warranties contained in this Article II (including the related portions of the Disclosure Schedule), Sellers expressly (i) disclaim and negate any representation or warranty, express or implied, at common law, by statute or otherwise, relating to the condition of the Assets (including any implied or expressed warranty of title, merchantability or fitness for a particular purpose, or of the probable success or profitability of the ownership, use or operation of the Business or the Assets by Purchaser after the Closing), and (ii) disclaim all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Purchaser or its Affiliates or representatives (including any opinion, information, projection or advice that may have been or may be provided to Purchaser by any representative of any Sellers).

2.14 AS IS, WHERE IS. THE ASSETS ARE BEING CONVEYED “AS IS”, “WHERE IS”, AND “WITH ALL FAULTS”, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED OTHER THAN AS SET FORTH IN THIS AGREEMENT. SELLERS SPECIFICALLY DISCLAIM ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, THERETO EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT. PURCHASER IS HEREBY THUS ACQUIRING THE ASSETS BASED SOLELY UPON PURCHASER’S OWN INDEPENDENT INVESTIGATIONS AND INSPECTION OF THAT PROPERTY AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY SELLERS OR SELLERS’ AGENTS OR CONTRACTORS EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT.

2.15 Sellers’ Knowledge. References in this Agreement to “***Sellers’ Knowledge***” or “***the Knowledge of Sellers***” means the knowledge of Chief Executive Officer, Chief Operating Officer, and Secretary of Sellers, after reasonably inquiry within the organization of Sellers, in each case as of the date of this Agreement and the Closing Date, respectively.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF PURCHASER

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

3.1 Authorization. Purchaser has all necessary corporate power and authority to enter into this Agreement and has full power and authority to carry out the Transactions contemplated hereby. No other action on the part of Purchaser is necessary to authorize the execution, delivery or performance of this Agreement.

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

3.3 Organization and Good Standing. Purchaser is duly organized, validly existing and in good standing under the Laws of the State of California. Purchaser has the requisite power and authority to own, operate and lease its properties and to carry on its business as now conducted.

3.4 No Violation. Neither the execution and delivery by Purchaser of this Agreement nor the consummation of the Transactions contemplated hereby nor compliance with any of the material provisions hereof by Purchaser will violate, conflict with or result in a breach of any material provision of the Articles of Incorporation, Bylaws or other organizational documents of Purchaser or any contract, lease or other instrument by which Purchaser is bound.

3.5 Brokers and Finders. Neither Purchaser nor any Affiliate thereof nor any officer or director thereof has engaged any finder or broker in connection with the Transactions contemplated hereunder.

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

3.7 Ability to Perform. Purchaser has the ability to obtain funds, including from an Affiliate, and, at the Closing, shall have cash in amounts necessary to consummate the Transactions contemplated by this Agreement.

3.8 Purchaser Knowledge. References in this Agreement to "***Purchaser's Knowledge***" or "***the Knowledge of Purchaser***" means the knowledge of Chair of the Board, President, Finance Officer, and Secretary of Purchaser, after reasonable inquiry within the organization of Purchasers, in each case as of the date of this Agreement and the Closing Date, respectfully.

3.9 Independent Investigation. Purchaser has conducted its own independent investigation, review and analysis of the Business and the Assets, and acknowledges that it has

been provided such access to the personnel, properties, assets, premises, books and records, and other documents and data of Sellers as has been requested by Purchaser for such purpose. Purchaser acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the Transactions contemplated hereby, Purchaser has relied solely upon its own investigation and the express representations and warranties of Sellers set forth in Article II of this Agreement (including related portions of the Disclosure Schedules); and (b) neither Sellers nor any other Person has made any representation or warranty as to Sellers, the Business, the Assets or this Agreement, except as expressly set forth in Article II of this Agreement (including the related portions of the Disclosure Schedules).

ARTICLE IV PRE-CLOSING COVENANTS OF SELLERS

4.1 Access and Information; Inspections. Upon reasonable advance notice to Sellers, Sellers shall afford to the officers and agents of Purchaser (which shall include accountants, attorneys, bankers and other consultants and authorized agents of Purchaser) reasonable access during normal business hours, the right to inspect, the books, accounts, records and other relevant documents and information related to the Business as Purchaser may reasonably request, and (ii) Sellers shall furnish Purchaser with copies of such additional financial and operating data and other information in Sellers' possession related to the Business as Purchaser or its representatives may from time to time reasonably request; provided, however, that Sellers is not obligated to disclose information that (a) is proprietary to Sellers, (b) would, in Sellers' sole discretion, cause significant competitive harm to Sellers or the Business if the Transactions contemplated by this Agreement are not consummated, or (c) contravene any applicable Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement; provided, further, that all disclosures of information shall be consistent with the confidentiality agreements and any other non-disclosure agreements entered into among Purchaser, its representatives and Sellers or their representatives. Purchaser's right of access and inspection shall be exercised in such a manner as not to interfere with the operations of Sellers or the Business. Sellers shall promptly provide Purchaser with copies of all reports and information provided to the DIP Lender under the DIP Credit Agreement, other than reports and information concerning other offers to purchase the Sellers' assets and the process related thereto. Sellers shall provide updated lists of Business Employees as reasonably requested by Purchaser.

4.2 Cooperation and Consents.

(a) The Parties shall reasonably cooperate with each other and their respective authorized representatives and attorneys in: (i) all efforts to obtain all consents, approvals, authorizations, clearances and licenses required to carry out the Transactions contemplated by this Agreement (including those of governmental and regulatory authorities), and (ii) the preparation of any document or other material which may be required by any Governmental Entity as a predicate to or result of the Transactions contemplated in this Agreement. Upon reasonable request of Purchaser, Sellers shall promptly provide Sellers specific information that is necessary for Purchaser to obtain all governmental consents, approvals, assignments, authorizations, clearances, permits and licenses necessary to consummate the Transactions contemplated by this Agreement.

(b) Sellers will use its commercially reasonable efforts to obtain, prior to the Closing Date, any consents required or requested by Purchaser for any Assigned Contracts and Assigned Leases; provided, however, that Sellers shall not be required to expend funds or incur additional liability as a condition or requirement to obtaining consent for any Assigned Contract or Assigned Lease (other than as may be expressly provided in an Assigned Contract or Assigned Lease and payable to the contract party or landlord in connection with providing such a consent or such ordinary legal and similar 3rd party advisory costs associated with seeking and obtaining such consents).

(c) Sellers shall provide Purchaser with advance copies of material pleadings in the Chapter 11 Case reasonably in advance of filing the same with the Bankruptcy Court.

4.3 Sellers' Efforts to Close. Sellers shall use their reasonable commercial efforts to satisfy all of the conditions precedent set forth in Article VI and Article VII to its or Purchaser's obligations under this Agreement to the extent that Sellers' action or inaction can control or materially influence the satisfaction of such conditions; provided, however, that Sellers shall not be required to pay or commit to pay any amount to (or incur any obligation in favor of) any Person.

4.4 Termination Cost Reports. Sellers shall file all Medicare, Medicaid and any other termination cost reports required to be filed as a result of the consummation of (a) the transfer of the Assets to Purchaser, and (b) the Transactions contemplated by this Agreement. Purchaser shall permit Sellers reasonable access to all Business books and records to prepare such reports. All such termination cost reports shall be filed by Sellers in a manner that is in compliance with current Laws. Sellers shall be responsible for filing governmental cost reports relating to its operation of the Business and any follow up requests, audits, or reconciliations with CMS or its designee related to such cost reports. Purchaser shall be responsible for its own cost report filings beginning as of the Effective Time.

4.5 Employee Liabilities. Prior to the Effective Time, Sellers shall be solely responsible for complying with WARN and all other obligations under applicable Law requiring notice of plant closings, relocations, mass layoffs, reductions in force or similar actions (and for any failures to so comply), in any case applicable to Business Employees as a result of any action by Sellers or any Seller's Affiliate prior to the Effective Time or following the Effective Time for any reason.

4.6 Business Operations. Prior to the Effective Time, Sellers shall use commercially reasonable efforts, subject to Sellers possessing required funding, to continue to operate at least the Hospital's emergency room department and at least one medical/surgery unit as is being operated on the date hereof. With respect to the operations of the Business, Sellers shall:

(a) use commercially reasonable efforts to carry on the Business and use commercially reasonable efforts to maintain personnel, operations, real or personal property, finance or accounting policies in all material respects, provided that ~~Seller may take actions reasonably necessary to achieve~~ after entry of the Sale Order and prior to the Effective Time, Beverly shall reduce services to the Effective Time Service Lines;

(b) use commercially reasonable efforts to maintain the Business and the Assets in operating condition in a manner consistent with past practices, casualty, condemnation and ordinary wear and tear excepted, and inclusive of substitutions and retirements;

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

(d) perform Sellers' material obligations under all Assigned Leases and Assigned Contracts, and with respect to the Assets;

(e) permit and allow reasonable access by Purchaser and its representatives to make offers of post-Closing employment to any of Sellers' personnel and to establish relationships with physicians, medical staff and others having business relations with Sellers, provided, that such actions by Purchaser do not unreasonably interfere with Sellers' operation of the Business;

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

(g) maintain all existing material approvals, permits and environmental permits relating to the Hospital; and

(h) use commercially reasonable efforts (i) to facilitate the transfer of Patient Records from Beverly's EMR system to Purchaser's EMR system and (ii) any other actions that may be required to facilitate the transfer of Beverly's EMR system to Purchaser's EMR system.

4.7 Negative Covenants. Until the Effective Time, with respect to the operations of the Business, Sellers shall use commercially reasonable efforts not to, without the prior written consent of Purchaser (which shall not be unreasonably withheld) or except as may be required by Laws:

(a) except in the Ordinary Course of Business (which shall include renewals or extensions of the term of any contract) amend or terminate any of the Assigned Contracts or Assigned Leases; or, incur or agree to incur any material liability;

(b) with respect to the Ancillary Property and the MOB Improvements, negotiate or enter into any lease or other agreement to use, occupy, or change the occupancy of all or any portion of any of the properties constituting the Ancillary Property or the MOB Improvements;

(c) create, assume or permit to exist any new material debt or other Encumbrance upon any of the Assets (other than Permitted Exceptions and other than any debt created in accordance with California Assembly Bill AB112, provided, that the lender of such debt consents to the Transactions at the time such debt is incurred or is not granted a lien against the Assets to secure such debt), provided that with respect to the Leased Real Property, this covenant shall apply only to Sellers' leasehold interest therein;

(d) acquire (whether by purchase or lease) or sell, assign, lease, or otherwise transfer or dispose of any material Asset, except in the Ordinary Course of Business with comparable replacement thereof;

(e) except with respect to previously budgeted (or in the Ordinary Course of Business) expenditures, purchase capital assets or incur material costs in respect of construction in progress;

(f) agree or commit to take any of the actions set forth in this Section 4.7;

(g) allow any breach, default, termination or cancellation of such insurance policies or agreements to occur or exist with respect to the Real Property, the Assigned Leases, or the Assigned Contracts; or

(h) cause any Material Adverse Effect to occur with respect to any of the Assets.

(i) For purposes of this Section 4.7, Sellers shall be deemed to have obtained Purchaser's prior written consent to undertake the actions otherwise prohibited by this Section 4.7 if Sellers give Purchaser written notice of a proposed action and Sellers do not receive from Purchaser a written notice of objection to such action within seven (7) days after Purchaser receives Sellers' written notice. Notwithstanding any provision to the contrary contained in this Agreement, neither Section 4.6 nor this Section 4.7 shall be construed to prohibit Sellers from engaging in any act which Sellers reasonably believes is necessary (i) to preserve and protect the condition or continued operations of the Business, (ii) for patient safety needs, or (iii) to comply with the requirements of any Laws. Sellers shall give Purchaser prompt written notice subsequent to taking any act described in the immediately preceding sentence.

4.8 Title Matters. At any time prior to the Closing Date, Purchaser may cause to be delivered to Sellers (a) a preliminary binder or title commitment(s) (the "Title Commitment") sufficient for the issuance of a standard coverage Owner's Title Insurance Policy in form and with such ALTA extended coverages and all endorsements thereto as Purchaser may have reasonably requested and that the Title Company shall have agreed to, insuring fee title in Purchaser (or its designated vestee pursuant hereto) in the full insurable value of the Owned Real Property, free and clear of all Encumbrances, subject only to the non-monetary Schedule B exceptions set forth therein with respect to the Owned Real Property (the "Owner's Title Policy") and, a standard coverage Leasehold Title Policy in a form approved for issuance in California with respect to any Leased Real Property (the "Leasehold Title Policy") in form and with such ALTA extended coverages and all endorsements thereto as Purchaser may have reasonably requested and that the Title Company shall have agreed to, insuring a leasehold interest in Purchaser (or its designated vestee pursuant hereto) in the full insurable value of the Leased Real Property, free and clear of all Encumbrances, subject only to the non-monetary Schedule B exceptions set forth therein (the Owner's Title Policy and the Leasehold Title Policy are collectively referred to in this Agreement as the "Title Policy"), issued by First American Title Insurance Company (the "Title Company"), together with true, correct and legible (or, if not legible, the best available) copies of all instruments referred to therein as conditions or exceptions to title (the "Title Instruments"), and (b) if and to the extent Purchaser so elects in its

sole discretion, an ALTA survey or surveys of the Owned Real Property complying with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys for the Owned Real Property in a form reasonably acceptable to Purchaser and the Title Company (the “Surveys”). The costs and expenses of the Title Commitment, the Title Policy and the Surveys shall be borne by Purchaser. Prior to the Closing, Sellers shall deliver to the Escrow Holder for delivery to the Title Company at Closing (i) an owner’s affidavit of title (the “Owner’s Affidavit”) substantially in the form attached as Exhibit 4.8, or such other form reasonably requested by the Title Company and adequate to cause Title Company to delete the standard pre-printed exceptions in the Title Commitment (provided that such deletion does not require the delivery to Title Company of an ALTA survey approved by Title Company as Sellers shall have no duty to provide such a survey) and (ii) such other documentation as Title Company may reasonably require from Sellers to issue the Title Policy to Purchaser at Closing.

4.9 Bid Protections Order

~~4.10 . In connection with the Chapter 11 Case, no later than one (1) business day after execution of this Agreement, the Sellers shall file a motion seeking entry of an order, in a form reasonably acceptable to the Purchaser, with the Bankruptcy Court (the “Bid Protections Order”) that must include the following:~~

~~(a) If the Stalking Horse Purchaser is not the Successful Bidder and is not then in breach, and the Stalking Horse APA has not otherwise been terminated, the Stalking Horse Purchaser shall be paid at the closing of the Sale of the Purchased Assets (i) three percent (3.0%) of the Purchase Price (the “Break-Up Fee”), plus (ii) reimbursement of reasonably documented reasonable costs and expenses in an amount not to exceed \$650,000 (the “Expense Reimbursement” and together with the Break-Up Fee, the “Bid Protections”). In the event that the Successful Bidder other than the Stalking Horse fails to close the Sale, but a subsequent sale of the Assets is consummated, the Debtors shall pay the Stalking Horse Purchaser the Break-Up Fee and Expense Reimbursement (to the extent not already paid) from such Sale. Regardless of whether another bidder is selected as the Successful Bidder, in the event that the Stalking Horse APA is terminated for any reason other than breach by the Stalking Horse Purchaser, the Debtors shall pay the Expense Reimbursement within five (5) business days of such termination of the Stalking Horse APA.~~

~~(b) The Bid Protections, to the extent payable under this Order, shall constitute allowed administrative expense claims against the Debtors’ estates pursuant to section 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code. The Debtors are authorized to pay the Break-Up Fee and the Expense Reimbursement in cash or by wire transfer of immediately available funds in accordance with this Order without any further action or order by the Court.~~

~~(c) The Expense Reimbursement shall be payable by the Debtors as administrative expenses without any requirement to (a) file retention or fee applications, (b) provide notice to any person other than the Debtors and the Committee, and (c) provide itemized time detail to the Debtors or any other Person, provided that the Stalking Horse Purchaser will provide additional detail as reasonably requested by the Debtors.~~

~~(d) Notwithstanding anything to the contrary contained herein, upon payment of the Break-Up Fee and the Expense Reimbursement to the Stalking Horse Purchaser, the Debtors and their representatives and affiliates, on the one hand, and Stalking Horse Purchaser and its respective representatives and affiliates, on the other hand, will be deemed to have fully released and discharged each other from any liability resulting from the termination of the Stalking Horse APA, and neither the Debtors and their representatives and affiliates, on the one hand, and the Stalking Horse Purchaser and its respective representatives and affiliates, on the other hand, nor any other Person, will have any other remedy or cause of action under or relating to the Stalking Horse APA, including for reimbursement of any additional expenses incurred by the Stalking Horse Purchaser in connection with the negotiation and documentation of the Stalking Horse APA and all proceedings held in connection therewith.~~

ARTICLE V
COVENANTS OF ~~PURCHASER~~THE PARTIES PRIOR TO CLOSING

5.1 Purchaser's Efforts to Close. Purchaser shall use its reasonable commercial efforts to satisfy all of the conditions precedent set forth in Article VI and Article VII to its or Sellers' obligations under this Agreement to the extent that Purchaser's action or inaction can control or materially influence the satisfaction of such conditions.

5.2 Certain Employee Matters.

(a) The Parties shall negotiate the terms and conditions of a staffing agreement whereby Seller shall provide the services to Purchaser of all the Business Employees who are in good standing as of the Closing under Sellers' employment policies (the "Staffing Agreement Employees") to provide services at Purchaser's White Memorial campus or at the new Montebello campus on the Hospital Property (the "Staffing Agreement") while Purchaser conducts the interview and evaluation process set forth in Section 5.2(b) below. The Staffing Agreement shall provide for Purchaser's reimbursement to Seller for the full salary and benefit expense of each Staffing Agreement Employee incurred or accrued during the Staffing Period.

(b) As soon as practicable, Purchaser shall interview or otherwise use commercially reasonable efforts to evaluate all Staffing Agreement Employees in compliance with applicable federal and California labor laws, rules and regulations, including compliance with rules regarding employee use of cannabis. Purchaser (or one of its Affiliates) agrees to offer employment as soon as practicable to all qualified Staffing Agreement Employees who are in good standing under Sellers' employment policies and who meet Purchaser's employment eligibility standards to work at Purchaser's White Memorial campus or at the new Montebello campus on the Hospital Property, subject to Purchaser's standard hiring practices.

(c) The Sellers shall use commercially reasonable efforts (i) to facilitate Purchaser's interview/ evaluation process, (ii) to facilitate the transition of Business Employees hired by Purchaser as reasonably requested by Purchaser, and (iii) to take other actions reasonably necessary for a smooth transition of operations immediately following the Closing.

~~Subject to Purchaser's standard hiring practices and (collectively, the "Purchaser Eligibility Requirements"), Purchaser (or one of its Affiliates) may offer~~

~~employment to commence at the Effective Time to a Business Employee.~~ (d) Sellers shall remain responsible for severance or termination payments or obligations to all Business Employees related to employment by Sellers, including under Sellers' Plans. The provisions of this Section 5.2 are solely for the benefit of the Parties, and no employee or former employee or any other individual associated therewith or any employee benefit plan or trustee thereof shall be regarded for any purpose as a third-party beneficiary of this Agreement, and nothing herein shall be construed as an amendment to any employee benefit plan for any purpose.

5.3 Governmental Approvals. Purchaser (i) shall use its reasonable commercial efforts to secure, as promptly as possible, all consents, approvals (or exemptions therefrom), authorizations, clearances and licenses required to be obtained from any Governmental Entity in order to carry out the Transactions contemplated by this Agreement and to cause all of its covenants and agreements to be performed, satisfied and fulfilled, and (ii) will provide such other information and communications to all Governmental Entities as Sellers or such authorities may reasonably request. Purchaser is responsible for all filings with and requests to Governmental Entity necessary to enable Purchaser to operate the Business at and after the Closing Date.

5.4 Collective Bargaining Agreement. Purchaser shall use commercially reasonable efforts to negotiate amendments to the CBA with the Union, on terms and conditions acceptable to it in its sole and absolute discretion, including, without limitation as follows: (a) the CBA is modified to provide for relief from all Beverly benefit plans and instead reflects that employees will participate in Purchaser's existing employee benefit plans, including but not limited to health insurance and prescription plans, 401(k)/403(b) plans, dental plans, vision plans, life insurance plans, AD&D plans, LTD plans, and EAP plans; (b) bargaining unit members will participate in Purchaser's benefit plans on the same terms as other non-exempt employees; (c) any recognition of the Union, and coverage of the CBA, is limited to the Beverly addresses as set forth in the CBA, and no other sites, and the union agrees to any limits on recognition; (d) any terms of the CBA inconsistent with the foregoing are abrogated, as are any maintenance of benefits provisions, language about services performed at Beverly hospital, language about wellness programs, and any other limitations or restrictions on Adventist Health White Memorial's ability to administer benefit plans in which employees participate (the "*Amended CBA*").

ARTICLE VI CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS

Sellers' obligation to sell the Assets and to close the Transactions as contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions on or prior to the Closing Date unless specifically waived in writing by Sellers in whole or in part at or prior to the Closing:

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

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

6.3 Representations and Warranties; Performance of Covenants. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects when made. Each and all of the terms, covenants, and agreements in this Agreement to be complied with or performed by Purchaser on or before the Closing Date shall have been complied with and performed by Purchaser in all material respects.

6.4 Sale Order. The Bankruptcy Court shall have entered the ~~Bid Protections Order and the~~ Sale Order.

6.5 Schedules. The provisions of the schedules attached to this Agreement that were updated by Purchaser after the execution of this Agreement, if any, shall be acceptable to Sellers in its reasonable discretion.

6.6 Required Consents. All Governmental Entities set forth on Schedule 6.6 whose approval is required for Purchaser or Sellers to consummate the Transactions contemplated by this Agreement have given (or will give) such approval ("Required Governmental Entity Consents") effective as of the Effective Time.

6.7 Staffing Agreement. The Staffing Agreement shall have been negotiated and executed by the parties thereto.

ARTICLE VII CONDITIONS PRECEDENT TO OBLIGATIONS OF PURCHASER

Purchaser's obligation to purchase the Assets and to close the Transactions contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions on or prior to the Closing Date unless specifically waived in writing by Purchaser in whole or in part at or prior to the Closing.

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

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

7.3 Representations and Warranties; Performance of Covenants. The representations and warranties of Sellers contained in this Agreement shall be true and correct in all material respects when made (except to the extent limited or qualified by materiality or Material Adverse Effect, in which event, such applicable representation and warranty shall be true and accurate in

all respects in accordance with the terms of the applicable representation and warranty as set forth in this Agreement). Each and all of the terms, covenants, and agreements in this Agreement to be complied with or performed by Sellers on or before the Closing Date shall have been complied with and performed by Sellers in all material respects.

7.4 Title Insurance Policy. The Title Company shall be irrevocably committed, subject only to payment of premiums, to issue to Purchaser on and effective as of the Closing Date the Title Policy.

7.5 No Material Adverse Effect. Since the date hereof, there will not have been any Material Adverse Effect with respect to the Business or any of the Assets, including without limitation the Real Property.

7.6 Schedules. The provisions of the schedules attached to this Agreement or any Disclosure Schedule that were updated by Seller after the execution of this Agreement, if any, shall be acceptable to Purchaser in its reasonable discretion.

7.7 Required Consents(a) .

(a) All Required Governmental Entity Consents shall have been obtained by Sellers and are satisfactory to Purchaser in its sole and absolute discretion.

(b) Purchaser shall have received all Governmental Entity consents necessary for Purchaser to operate a multi-campus general acute care hospital under a consolidated license as set forth on **Schedule 7.7(b)** (“**Purchaser Governmental Entity Consents**”).

(c) Sellers have taken the steps (including with respect to required notifications with respect to changes to licensure or service lines) necessary so that as of the Effective Time, the Hospital ~~is~~ (i) has not taken any action to suspend its general acute care hospital license with the California Department of Public Health and (ii) is only operating the Effective Time Service Lines.

7.8 Bankruptcy Court Orders. The Bid Protections Order shall be ~~a Final Order, be~~ in full force and effect, and not subject to any stay. The Sale Order shall be entered and shall be a Final Order, be in full force and effect, and not subject to any stay.

7.9 Surrender of License. Immediately prior to the Effective Time, Beverly shall have surrendered its general acute care hospital license to the California Department of Public Health.

7.10 CBA. The Amended CBA shall have been executed by the parties thereto.

7.11 Staffing Agreement. The Staffing Agreement shall have been negotiated and executed by the parties thereto.

ARTICLE VIII
TERMINATION

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

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

(b) by either Purchaser or Sellers if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before ~~July 18, 2023~~ sixty (60) days after the date of execution of this Agreement (the “*Termination Date*”).

(c) by Sellers:

(i) if a material breach of this Agreement has been committed by Purchaser and such breach has not been (i) waived in writing by Sellers, or (ii) cured by Purchaser to the reasonable satisfaction of Sellers within three (3) business days after Sellers provide Purchaser a written notice that describes the nature of such breach; provided, however, that Sellers shall not be permitted to terminate this Agreement pursuant to this Section 8.1(c)(i) if Sellers are also in material breach of this Agreement; or

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

(d) by Purchaser:

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

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

~~(iii) if (1) the Bankruptcy Court does not enter the Bid Protections Order within nine (9) days of execution of this Agreement and/or (2) the Bankruptcy Court fails to enter the Sale Order within forty five (45) days of execution of this Agreement;~~

~~(iviii)~~ if any conditions are imposed by the California Attorney General other than those acceptable to the Purchaser in its sole and absolute discretion;

~~(viiiv)~~ if the Chapter 11 Case of any Seller or any of its affiliated debtors is converted to a case under Chapter 7 of the Bankruptcy Code or is dismissed or if the a Chapter 11 trustee or an examiner with expanded powers occurs is appointed;

~~(viiiv)~~ if Purchaser is not selected as the winning bidder or Back-Up Bidder at any auction for the Assets-; or

~~(viiivi)~~ upon a notice of a Casualty or Condemnation pursuant to Section 1.7(a) of this Agreement.

8.2 Termination Consequences.

(a) If this Agreement is terminated pursuant to Section 8.1: (a) all further obligations of the Parties under this Agreement shall terminate, except that the obligations in Sections 8.2, 11.4, 11.9 and 11.12 shall survive, and (b) each Party shall pay the costs and expenses incurred by it in connection with this Agreement, except as provided in the Bid Protections Order and Section 11.12. Each Party acknowledges that the agreements contained in this Section 8.2 are an integral part of the Transactions contemplated by this Agreement and that without these agreements such Party would not have entered into this Agreement.

(b) If this Agreement is terminated pursuant to Section 8.1(a)8.1(a), Section 8.1(b), Section 8.1(c)(ii), or Section 8.1(d)(i), 8.1(d)(ii), 8.1(d)(iii), 8.1(d)(iv), 8.1(d)(v), 8.1(d)(vi), or 8.1(d)(vii), Purchaser shall be entitled to disbursement of the Purchaser Deposit (including, for the avoidance of doubt) from the Escrow Account and the payment of the all amounts owed to Purchaser under the Bid Protections Order. In the event of a termination of this Agreement pursuant to Section 8.1(c)(i), Sellers shall be entitled to disbursement of the Purchaser Deposit from the Escrow Account. If this Agreement is terminated, then promptly following the effective date of any such termination either (i) Sellers and Purchaser will deliver joint written instructions to the Escrow Holder or (ii) the Bankruptcy Court shall issue an order, to pay Sellers or Purchaser, as applicable, the Purchaser Deposit from the Escrow Account, subject to the terms of the Escrow Agreement.

ARTICLE IX

POST-CLOSING MATTERS AND ADDITIONAL AGREEMENTS OF PURCHASER

9.1 Excluded Assets. Subject to Section 1.1(b) hereof, any Excluded Asset (or proceeds thereof) pursuant to the terms of this Agreement or as otherwise determined by the Parties' mutual written agreement, which comes into the possession, custody or control of Purchaser (or its respective successors-in-interest, assigns or affiliates) shall, within twenty (20) business days following receipt, be transferred, assigned or conveyed by Purchaser (and its respective successors-in-interest, assigns and affiliates) to Sellers without imposing any charge

to Sellers for Purchaser's transfer, storage, handling or holding of same on and after the Effective Time.

9.2 Preservation and Access to Records After the Closing.

(a) ~~From the Closing Date until the earlier of the closing of the Chapter 11 Cases and~~ After the Closing, Purchaser shall maintain all the Books and Records that are in the control or the possession of Purchaser or any of its Affiliates or their respective agents or representatives with respect to time periods prior to the Closing Date that are among the Assets as of the Effective Time, but excluding any records that are among the Excluded Assets (collectively, "**Business Records**") for a period of seven (7) years after the Closing Date or such longer period as required by Law (the "**Document Retention Period**"). ~~After the Closing, Purchaser shall keep and preserve all medical records, patient records, and other books and records that are among the Assets as of the Effective Time, but excluding any records that are among the Excluded Assets. Purchaser will afford to the representatives of Sellers and any of its affiliates, including their counsel and accountants ("**Sellers Parties**"), reasonable access to, and copies of (at Sellers' expense), such records with respect to time periods prior to the Closing Date (including access to records of patients treated at the Hospital prior to the Closing Date) during normal business hours after the Closing Date, to the extent reasonably needed by any Seller for any lawful~~ provide the Sellers, any direct or indirect successor to the Sellers and their respective professionals, and the Committee, the Committee's successors, any estate representative, any liquidating trust relating to the Sellers and each of their respective professionals (collectively, the "**Permitted Parties**") reasonable access during normal business hours to the Business Records for the purposes of (i) pursuing, assessing, settling, or otherwise dealing with any Excluded Assets; (ii) pursuing, assessing, defending, settling, or otherwise dealing with (including, without limitation, exercising rights and remedies with respect to) any claim or cause of action, including, without limitation, any objection or motion, that any Permitted Party has the right to pursue; (iii) performing and/or otherwise dealing with any obligations of the Sellers pursuant to this Agreement, including the Excluded Liabilities; (iv) assisting any one or more of the Permitted Parties in connection with or otherwise relating to the claims reconciliation process relating to Sellers, including, without limitation, with respect to claims against any Person, including, without limitation, assessing, resolving, settling, and/or otherwise dealing with priority and administrative claims and any other general unsecured claims that accrue prior to the Closing Date; and (v) without limiting the generality of the immediately preceding clauses (i) through (iv), otherwise administering Sellers' estates including, without limitation, the preparation and confirmation of a plan relating to Sellers and the preparation of a disclosure statement relating to Sellers, and compliance with any subpoena, document request, or order of any court compelling any Permitted Party to produce documents to third parties, winding down Sellers' estates, preparing or filing tax returns and causing audits to be performed and/or for any other reasonable purpose.

(b) In complying with Section 9.2, Purchaser shall not incur any out-of-pocket costs and shall be reimbursed for expenses for material time expended by employees of Purchaser. The right of reasonable access for the Permitted Parties shall include, without limitation, (i) the right of such Permitted Party to copy at its expense at Purchaser's location, during regular business hours and upon reasonable notice (not less than 5 business days), such Business Records as they may reasonably request, and (ii) Purchaser's copying (at the Permitted

Party's expense) and delivering to such Permitted Party such Business Records as may be reasonably requested in writing with reasonable written descriptions of the materials.¹

(c) Purchaser acknowledges that, as a result of entering into this Agreement ~~and operating the Business~~, it will gain access to ~~patient records~~ Patient Records and other information which are subject to rules and regulations concerning confidentiality. Purchaser shall ~~abide by any such rules and regulations relating to the confidential information it acquires. Purchaser shall maintain the patient records at the Hospital~~ Patient Records in accordance with applicable Laws ~~and the requirements of relevant insurance carriers. After the expiration of the Document Retention Period, if Purchaser intends to destroy or otherwise dispose of any of the documents described in this Section 9.2(a).~~ Notwithstanding any other provision of this Agreement, from the Closing Date, Purchaser shall ~~comply with applicable law. Furthermore, provided that Purchaser shall not incur any out of pocket costs, Purchaser shall provide reasonable cooperation to Sellers and their insurance carriers in respect of the defense of claims by third parties against Sellers or any affiliate of Sellers, in respect of events occurring prior to~~ keep and preserve all Patient Records that are among the Assets as of the Effective Time with respect to the operations of the Business. Such cooperation shall include, without limitation (and at Sellers' sole expense for material time expended by employees of Purchaser), making the employees of Purchaser historically employed by the Hospital, if any, reasonably available for interviews, depositions, hearings and trials. for so long as and as required by Law.

(bd) Upon Purchaser's reasonable request, Purchaser and its representatives shall be given access by Sellers during normal business hours to the extent needed by Purchaser for business purposes to all documents, records, correspondence, work papers and other documents retained by Sellers pertaining to any of the Assets prior to the Effective Time (excluding confidential employee information, privileged materials and patient records), all in such manner as to not interfere unreasonably with Sellers. Such documents and other materials shall be, at Sellers' option, either (i) copied by Sellers for Purchaser at Purchaser's expense, or (ii) removed by Purchaser from the premises, copied by Purchaser and promptly returned to Sellers.

(ee) Purchaser shall cooperate with Sellers, on a timely basis and as reasonably requested by Sellers, in connection with the provision of all data of the Hospital and other information required by Sellers for reporting purposes, to the extent such information is included in the Assets.

(df) To the maximum extent permitted by Law, if any Person other than the Permitted Parties, requests or demands, by subpoena or otherwise, any documents consisting of Assets, but relating to the Excluded Liabilities or Excluded Assets, including documents relating to the operations of the Business or any of the Hospital's committees prior to the Closing Date, Purchaser shall use reasonable efforts to notify Sellers and provide Sellers with the opportunity to object to, and otherwise coordinate with respect to, such request or demand, to the extent such documents are included in the Assets.

9.3 General Cooperation and Turnover Obligations. The Parties shall cooperate to ensure that any and all payments that constitute Excluded Assets shall be paid to and received by

¹ NTD: To confirm whether Seller will pay for Purchaser's provisions of records.

Sellers, and any and all payments that constitute Assets transferred to Purchaser pursuant to Section 1.1(a) or that otherwise arise from services rendered by Purchaser on or after the Closing Date shall be paid to and received by Purchaser. In this regard, for a period of one (1) year after the Closing Date ("Turnover Period"), the Parties shall, within twenty (20) business days of receipt, copy and send to the other Party copies (either in hard copy or via electronic file) of all remittance advices for all deposits to all bank accounts for such receivables, from whatever payor or source of funds, that are received on and after the Effective Time. If payments that constitute a transferred Asset are deposited to a bank account of Sellers that is not automatically swept or transferred to Purchaser, then Sellers, within five (5) business days of notice of the receipt of such payments, shall turn over and pay Purchaser said funds. If a deposit representing payment of any Excluded Assets is received by Purchaser, then Purchaser, within five (5) business days of discovery that such funds constitute Excluded Assets, shall turn over and pay Sellers such funds. Each Party shall have the right, within three (3) months after the expiration of the Turnover Period, to audit by an independent and competent auditor, at the requesting Party's sole expense, of the bank records and remittance advices of the other Party. Thereafter, upon the findings of the auditor that there has either been an overpayment or an underpayment of funds due, the Party owning funds shall, within twenty (20) business days, make a payment of such funds to whom they are owed.

ARTICLE X TAXES AND COST REPORTS

10.1 Tax Matters; Allocation of Purchase Price.

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

(b) The Purchase Price (including any liabilities that are considered to be an increase to the Purchase Price for United States federal income tax purposes) shall be allocated first among the Sellers, and such amounts shall be further allocated among the Assets in accordance with **Schedule 10.1(b)** and Section 1060 of the Code and the Treasury Regulations promulgated thereunder (the "Allocation Schedule"). Purchaser shall provide to Sellers the Allocation Schedule no later than sixty (60) days after the Closing Date for Sellers' review and comment. Purchaser shall consider in good faith any revisions as are reasonably requested by Seller no later than fifteen (15) days after the receipt by Seller of such Allocation Schedule. The Parties shall prepare and file all Tax returns and otherwise take all Tax actions consistent with the Allocation Schedule.

10.2 Cost Report Matters. Consistent with Section 4.4, Sellers shall prepare and timely file all cost reports relating to the periods ending prior to the Closing Date or required as a result of the consummation of the Transactions described in this Agreement, including those relating to Medicare, Medicaid, and other third party payors which settle on a cost report basis (the “Sellers Cost Reports”).

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Defined Terms. As used in this Agreement and unless otherwise defined in this Agreement, capitalized terms shall have the meanings described in Appendix I.

11.2 Further Assurances and Cooperation. Each Party shall execute, acknowledge and deliver to the other Parties any and all other assignments, consents, approvals, conveyances, assurances, documents and instruments reasonably requested by such Party at any time and shall take any and all other actions reasonably requested by such Party at any time for the purpose of consummating the Transactions hereunder and fulfilling such Party’s obligations hereunder. After consummation of the Transactions, the Parties agree to cooperate with each other and take such further actions as may be necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement, the documents referred to in this Agreement and the Transactions.

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

11.4 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the internal Laws of the State of California (without giving effect to the principles of conflict of Laws thereof), except to the extent that the Laws of such state are superseded by the Bankruptcy Code. Without limiting any Party’s right to appeal any order of the Bankruptcy Court, the Parties agree that if any dispute arises out of or in connection with this Agreement or any of the documents executed hereunder or in connection herewith, the Bankruptcy Court shall have exclusive personal and subject matter jurisdiction and shall be the exclusive venue to resolve any and all disputes relating to the Transactions contemplated hereby and any of the documents executed hereunder or in connection herewith. Such court shall have sole jurisdiction over such matters and the Parties affected thereby and Purchaser and each Seller each hereby consent and submit to such jurisdiction; provided, however, that if the Chapter 11 Case shall have closed and cannot be reopened, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Central District of California and any appellate court thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. In the event any

such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 11.7, unless another address has been designated by such Party in a notice given to the other Parties in accordance with the provisions of Section 11.7.

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

11.6 Exhibits, Schedules and Disclosure Schedule. The Disclosure Schedules and all exhibits and schedules referred to in this Agreement shall be attached hereto and are incorporated by reference herein. From the date of the execution of this Agreement until the Closing, the Parties agree that Sellers may update the Disclosure Schedules and either Party may update the schedules as necessary, subject to the terms of Sections 6.5 or Section 7.6, as applicable, of this Agreement.

11.7 Notices. Any notice, demand, letter or other communication required, permitted, or desired to be given hereunder shall be deemed effectively given when either personally delivered, or when received by electronic means (including email) or overnight courier, addressed as follows:

If to Sellers: Montebello Community Health Services, Inc.
309 W. Beverly Blvd.
Montebello, California 90640
Attn: Alice Cheng, President and Chief Executive Officer

With a copy to: Sheppard Mullin
333 South Hope Street
Forty-Third Floor
Los Angeles, California 90071
Attention: Jennifer L. Nassiri

If to Purchaser: Adventist Health
1 Adventist Health Way
Roseville, California 95661
Attention: Kerry Heinrich, Chair of the Board

With a copy to: Adventist Health System
1 Adventist Health Way
Roseville, California 95661
Attn: Meredith Jobe, Vice President, General Counsel

Jones Day
555 S. Flower Street
50th Floor
Los Angeles, California 90071

Attention: Catherine A. Ehrgott
Joshua M. Mester

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

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

11.9 Confidentiality and Publicity. The Parties acknowledge and agree that the Nondisclosure Agreement, dated as of July 16, 2021, between an affiliate of Purchaser and Sellers (the “**Confidentiality Agreement**”) remains in full force and effect. Prior to the Closing Date, Sellers and Purchaser shall consult with each other as to the form and substance of any press release or other public disclosure materially related to this Agreement or any other transaction contemplated hereby and each shall have the right to review and comment on the other’s press releases at least forty-eight (48) hours prior to issuance; provided, however, that nothing in this Section 11.9 shall be deemed to prohibit either Sellers or Purchaser from making any disclosure that its counsel deems necessary or advisable in order to satisfy either Party’s disclosure obligations imposed by law subject to reasonable prior notice to the other Parties thereof.

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

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

11.12 Expenses and Attorneys’ Fees. Except as otherwise provided in this Agreement or the Bid Protections Order, each Party shall bear and pay its own costs and expenses relating to the preparation of this Agreement and to the Transactions contemplated hereby, or the performance of or compliance with any condition or covenant set forth in, this Agreement, including the disbursements and fees of their respective attorneys, accountants, advisors, agents and other representatives, incidental to the preparation and carrying out of this Agreement, whether or not the Transactions contemplated hereby are consummated.

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

11.14 Entire Agreement. This Agreement, the Disclosure Schedules, the exhibits and schedules, and the Transaction Documents contain the entire understanding between the Parties with respect to the Transactions contemplated hereby and supersede all prior or contemporaneous agreements, understandings, representations and statements, oral or written, between the Parties on the subject matter hereof.

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

11.16 Severability. If any one or more of the provisions contained in this Agreement or in the Transaction Documents, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by Law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or the Transaction Documents.

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

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

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

11.20 Survival. The representations and warranties of each Seller and of Purchaser contained in this Agreement or in any certificate delivered pursuant hereto (whether or not contained in Article II or Article III) shall not survive, and shall terminate at, the Closing, and none of the Sellers nor Purchaser shall have liability after the Closing for any breach of any of its representations or warranties contained in this Agreement or in any certificate delivered pursuant hereto. The covenants or other agreements of each Seller and of Purchaser contained in this Agreement or in any certificate delivered pursuant hereto which are to be performed prior to Closing shall not survive, and shall terminate at, the Closing, and none of the Sellers nor Purchaser shall have liability after the Closing for any breach of any such covenant or other agreement contained in this Agreement or in any certificate delivered pursuant hereto. The covenants and other agreements of each Seller and of Purchaser contained in this Agreement or in any certificate delivered pursuant hereto which are to be performed after the Closing shall survive the Closing for the period contemplated by their terms (or if no such survival period is contemplated, then indefinitely).

11.21 Bankruptcy Court Approval. The Parties acknowledge that this Agreement shall not become effective until it has been approved by the Bankruptcy Court pursuant to the Sale Order.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

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

PURCHASER:

**White Memorial Medical Center d/b/a
Adventist Health White Memorial**

Signature: _____

Print Name: Kerry Heinrich

Title: Chair of the Board

SELLER:

**Beverly Community Hospital Association
d/b/a Beverly Hospital**

Signature: _____
Print Name: _____
Title: _____

SELLER:

**Montebello Community Health Services,
Inc.**

Signature: _____
Print Name: _____
Title: _____

Appendix I
Defined Terms Glossary

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

Defined Term	Section Reference
Affiliate	Section 11.10
Allocation Schedule	Section 10.1(b)
Amended CBA	Section 5.4
Ancillary Property	Section 1.1(a)(iv)(c)
Agreement	Preamble
Assets	Section 1.1(a)
Assigned Contracts	Section 1.1(a)(x)
Assigned Leases	Section 1.1(a)(v)
Assumed Liabilities	Section 1.1(c)
Bid Protections Order	Section 4.9
Bill of Sale	Section 1.4(a)
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Beverly	Preamble
Business	Recitals
Casualty	Section 1.7(a)
Chapter 11 Case	Recitals
Closing	Section 1.3(a)
Closing Date	Section 1.3(a)
Closing Statement	Section 1.2(c)
Condemnation	Section 1.7(a)
Confidentiality Agreement	Section 11.9
Disclosure Schedule	Article II
DIP Facility Credit Agreement	Section 1.2(a)
DIP Facility Repayment Amount	Section 1.2(a)
DIP Lender	Section 1.2(a)
Document Retention Period	Section 9.2(a)
Effective Time	Section 1.3(a)
Escrow Account	Section 1.2(b)
Escrow Agreement	Section 1.2(b)
Escrow Holder	Section 1.2(b)
Excluded Assets	Section 1.1(b)
Excluded Contracts	Section 1.1(b)(xii)
Excluded Liability	Section 1.1(d)
Foundation	Preamble
Governmental Entity	Section 2.5(a)
Ground Lease	Section 1.1(a)(v)(a)
Healthcare Laws	Section 2.8(a)
Healthcare Programs	Section 2.8(a)

HIPAA	Section 2.8(f)(i)
Hospital	Recitals
Hospital Property	Section 1.1(a)(iv)(a)
Information Privacy and Security Laws	Section 2.8(f)(i)
Inventory	Section 1.1(a)(xi)
Lease Amounts	Section 1.6(c)
Leased Real Property	Section 1.1(a)(v)(a)
Leasehold Title Policy	Section 4.8
Licenses	Section 1.1(a)(iii)
Material Adverse Effect	Article II
Medical Records Custodial Agreement	Section 1.4(e)
MOB Improvements	Recitals
MOB Land	Section 1.1(a)(iv)(b)
Montebello	Preamble
Non-Party Affiliates	Section 11.19
Owned Real Property	Section 1.4(c)(iv)
Owner's Affidavit	Section 4.8
Owner's Title Policy	Section 4.8
Party	Preamble
Personal Property	Section 1.1(a)(ii)
Post Effective Time Lease Amounts	Section Error! Reference source not found.
Power of Attorney	Section 1.4(j)
Pre Effective Time Lease Amounts	Section Error! Reference source not found.
Prepays	Section 1.1(a)(xii)
Prorated Charges	Section 1.6(b)
Property Taxes	Section 1.6(b)
Purchase Price	Section 1.2(a)
Purchaser	Preamble
Purchaser Deposit	Section 1.2(b)
Purchaser Eligibility Requirements	Section 5.2
Purchaser Knowledge	Section 3.8
Real Estate Assignments	Section 1.4(b)
Real Property	Section 1.1(a)(v)(a)
Required Governmental Entity Consents	Section 6.6
Sale Order	Recitals
Security Deposits	Section 1.1(a)(vi)
Seller	Preamble
Sellers Cost Reports	Section 10.2
Sellers Parties	Section 9.2
Sellers' Knowledge	Section 2.15
Staffing Agreement	Section 5.2(a)

Staffing Agreement Employees	Section 5.2(a)
Surveys	Section 4.8
Tenant Leases	Section 1.1(a)(v)(b)
Termination	Section 8.1(b)
Title Commitments	Section 4.8
Title Company	Section 4.8
Title Instruments	Section 4.8
Title Policy	Section 4.8
Title Vehicles	Section 1.1(a)(i)
Transactions	Recitals
Transaction Documents	Recitals
Transfer Agreement	Section 1.4(d)
Transfer Taxes	Section 1.6
Turnover Period	Section 9.3
Unpaid Amounts	Section Error! Reference source not found. 1.6(c)

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

~~“**Back-Up Bidder**” has the meaning set forth in the Sellers’ Motion For The Bid Protections Order”~~ means that certain [Order Approving Debtors’ Motion for the Entry Of An of an Order \(I\) Approving Asset Purchase Agreement Forfor Stalking Horse Purchaser And Forand for Prospective Overbidders, \(II\) Approving Bid Protections, \(III\) Approving Bidding Procedures, \(IV\) Scheduling Certain Dates Thereto, \(V\) Approving Form Ofof Notice, Andand \(VI\) Scheduling Court Hearing Foto Approve Sale Free Andand Clear To Theto the Successful Bidder entered as Docket No. 378.](#)

“**Business Employee**” means any employee of the Business (whether salaried or hourly, and full-time or part-time), whether or not actively employed on the date hereof, e.g., including employees on vacation and leave of absence, including maternity, family, sick, military or disability leave.

“**Cash**” means as of the applicable time, including all cash, commercial paper, certificates of deposit and other bank deposits, treasury bills, and all other cash equivalents in the Sellers’ accounts, and third party checks deposited or held in such the Sellers’ accounts that have not yet cleared.

“**CBA**” the [Collective Bargaining Agreement between Beverly and the Union dated February 4, 2022, as amended.](#)

“**CMS Settlement**” means a settlement among the Sellers, Purchaser and CMS regarding the [resolution of claims asserted by CMS and the Purchaser’s process for amending its Medicare](#)

[provider agreement to include Beverly as an additional site which shall be in a form acceptable to the Purchaser and include funding from the Purchaser of no more than \\$3.2 million.](#)

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

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

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

“**Cure Costs**” means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) as necessary to (a) cure a monetary default, as required by section 365(a) of the Bankruptcy Code by the Debtors in accordance with the terms of an executory contract or unexpired lease of the Debtors, and (b) permit the Sellers to assume or assume and assign such executory contract or unexpired lease under section 365(a) of the Bankruptcy Code.

“**Effective Time Service Lines**” mean the operation of only basic general acute care hospital services as defined in 22 CCR § 70005 and the operation of an emergency department as defined in 22 CCR § 70411.

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

[“Expense Reimbursement” shall have the meaning set forth in the Bidding Procedures Order.](#)

“**Final Order**” means an order or judgment of the Bankruptcy Court entered by the clerk of the Bankruptcy Court on the docket in the Chapter 11 Cases which has not been reversed, vacated, or stayed and as to which (a) the time to appeal, petition for certiorari, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or other proceeding for a new trial, reargument, or rehearing shall then be pending, or (b) if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument, or rehearing shall have

expired; provided, that no order or judgment shall fail to be a Final Order solely because of the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure has been or may be filed with respect to such order or judgment.

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

“Law” means any statute, law, ordinance, code, act, rule, regulation, treaty, Order or other requirement having the force of law of any Governmental Entity (including common law).

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

“Master Indenture” means that certain Master Trust Indenture, dated December 1, 2015, by and between the Sellers and U.S. Bank National Association, including without limitation, all supplements and documents related thereto.

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

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

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

“Ordinary Course of Business” means, with respect to any Person, the ordinary course of business of such Person.

“Permitted Exceptions” means all real estate tax and assessment liens for the Real Property due but not yet payable appearing on the Title Commitment and all easements, rights-of-way, zoning ordinances and other Encumbrances of record appearing on Schedule B of the Title Commitment.

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

“Sellers’ Plans” means (a) each “employee benefit plan,” as defined in Section 3(3) of ERISA whether or not subject to ERISA; and (b) each other pension, retirement, profit-sharing, savings, deferred compensation, bonus, incentive, performance award, equity or equity-based compensation, change in control, retention, separation, employment, consulting, severance, welfare, health, dental, vision, life insurance, disability, vacation, paid time off or fringe-benefit and each other benefit or compensation plan, policy, program, contract, agreement or arrangement, that, in each case, is maintained, sponsored or contributed to or required to be contributed to by any Seller for the benefit of any current or former directors, officers, or employees, or with respect to which any Seller has or may have any liability.

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

“Union” means [the United Nurses Association of California/Union of Health Care Professionals /NUHHCE/AFSCME/AFL-CIO.](#)

“WARN” means the Worker Adjustment and Retraining Notification Act and California Assembly Bill AB 2957, as codified at California Labor Code Sections 1400 to 1408.

Exhibit 1.4(a)

Bills of Sale

See attached.

Exhibit 1.4(b)

Real Estate Assignments

See attached.

Exhibit 1.4(d)

Transfer Agreement

See attached.

Exhibit 1.4(e)

Medical Records Custodial Agreement

See attached.

Exhibit 1.4(f)

General Assignments

See attached.

Exhibit 1.4(k)

Power of Attorney

See attached.

Exhibit 4.8

Form of Owner's Affidavit

See attached.

Summary report:	
Litera Compare for Word 11.2.0.54 Document comparison done on 8/10/2023 7:56:07 PM	
Style name: JD Color With Moves	
Intelligent Table Comparison: Inactive	
Original DMS: iw://NAI/NAI/1536831646/10	
Modified DMS: iw://NAI/NAI/1537626891/5	
Changes:	
Add	99
Delete	80
Move From	5
Move To	5
Table Insert	3
Table Delete	3
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	195

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 1300 I Street, P.O. Box 944255, Sacramento, CA 94244-2550

A true and correct copy of the foregoing document entitled (*specify*):

EXHIBIT TO [PROPOSED] ORDER APPROVING JOINT STIPULATION TO:

1) APPROVE ATTORNEY GENERAL CONDITIONS PURSUANT TO SETTLEMENT; and 2) ENTER ORDER [DOCKET #686]

will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On August 14, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On August 14, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on August 14, 2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

August 14, 2023

Date

Leticia Aguirre

Printed Name

/s/ Leticia Aguirre

Signature

SERVICE LIST (via NEF)

CreditorName	Email
Megan M Adeyemo	madeyemo@grsm.com; asoto@grsm.com
David E Ahdoot	dahdoot@bushgottlieb.com; kprestegard@bushgottlieb.com
Joseph M Ammar	ammar@millercanfield.com
Scott E Blakeley	seb@blakeleyllp.com; ecf@blakeleyllp.com
Joseph P Buchman	jbuchman@bwsllaw.com; gmitchell@bwsllaw.com
Adrian Butler	abutler@bushgottlieb.com
Augustus Curtis	augustus.t.curtis@usdoj.gov
David K Eldan	David.Eldan@doj.ca.gov, cynthia.gomez@doj.ca.gov
Amanda N Ferns	aferns@fernslaw.com; mmakalintal@fernslaw.com
John-Patrick M Fritz	jpf@lnbyg.com; JPF.LNBYB@ecf.inforuptcy.com
Evelina Gentry	evelina.gentry@akerman.com; rob.diwa@akerman.com
Evan Gershbein	ECFpleadings@kccllc.com
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TOP 30	Advantis Medical Staffing	Elayne Goldmane	13155 Noel Road Suite 300			Dallas	TX	75240
Counsel for Advantis Medical Staffing	Akerman LLP	Evelina Gentry and Anthony D. Sbardellati	601 West Fifth Street, Suite 300			Los Angeles	CA	90071
TOP 30	Allied Universal Security Services	Moises Rodriguez	161 Washington St Suite 600			Conshohocken	PA	19428
TOP 30	Arthrex, Inc	Carla Pitcher	2825 Airview Boulevard			Kalamazoo	MI	49002
Office of the Attorney General of the United States	Attorney General of the United States	U.S. Department of Justice	950 Pennsylvania Avenue, NW			Washington	DC	20530-0001
TOP 30	Boston Scientific Corp	Kathleen Homsab	300 Boston Scientific Way			Marlborough	MA	01752-1234
Counsel for Sodexo	Brown McGarry Nimeroff LLC	Jami B. Nimeroff	Two Penn Center, Suite 610	1500 John F. Kennedy Boulevard		Philadelphia	PA	19102
Counsel for United Nurses Associations of California/Union of Health Care Professionals	Bush Gottlieb, A Law Corporation	David E. Ahdoot, Kirk M. Prestegard and Adrian R. Butler	801 North Brand Boulevard	Suite 950		Glendale	CA	91203
TOP 30	California Department Of Health Care	Tomas J. Aragon	1501 Capitol Avenue, Suite 4510			Sacramento	CA	95814
California Department of Health Care Services	California Department of Health Care Services	Jennifer Kent, Director	1501 Capitol Avenue, Suite 4510			Sacramento	CA	95814
California Department of Public Health	California Department of Public Health	Stephanie Spich	PO Box 997377 MS 0500			Sacramento	CA	95899-7377
California Secretary of State	California Secretary of State		1500 11th Street			Sacramento	CA	95814
California State Board of Pharmacy	California State Board of Pharmacy		1625 North Market Boulevard			Sacramento	CA	95834
California Statewide Communities Development Authority	California Statewide Communities Development Authority	Chair	1100 K Street, Suite 101			Sacramento	CA	95814
California Statewide Communities Development Authority	California Statewide Communities Development Authority	James Hamill	1700 N. Broadway, Suite 405			Walnut Creek	CA	94596
Center for Medicare and Medicaid Services	Center for Medicare and Medicaid Services	Steven Chickering, the Associate Regional Administrator	90 – 7th Street, Suite 5-300			San Francisco	CA	94103-6706
TOP 30	Cepheid Inc.	Susan Jose	904 E Caribbean Dr			Sunnyvale	CA	94089
TOP 30	Cloudwave	Loraine Sarno	100 Crowley Dr.			Marlborough	MA	01752
TOP 30	Constellation New Energy-Gas	Zachary Keczykecy	9400 Bunsen Parkway Suite 100			Louisville	KY	40220
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Employment Development Dept.	Employment Development Dept.		722 Capitol Mall, MIC 92E			Sacramento	CA	95814
TOP 30	First Financial Holdings Llc	Ricardo Oseguera	750 The City Drive South, Suite 300			Orange	CA	92868
TOP 30	Huntington Technology Finance	Brent McQueen	2285 Franklin Road			Bloomfield Hills	MI	48302
IRS	Internal Revenue Service	Attn Susanne Larson	31 Hopkins Plz Rm 1150			Baltimore	MD	21201
IRS	Internal Revenue Service	Centralized Insolvency Operation	P.O. Box 7346			Philadelphia	PA	19101-7346
IRS	Internal Revenue Service	Centralized Insolvency Operation	2970 Market St			Philadelphia	PA	19104
IRS	Internal Revenue Service		300 North Los Angeles Street			Los Angeles	CA	90012
IRS	Internal Revenue Service		600 Arch Street			Philadelphia	PA	19101
Counsel to Medline Industries, LP	Lowenstein Sandler LLP	Robert M. Hirsh and Phillip Khezri	1251 Avenue of the Americas			New York	NY	10020
TOP 30	Medical Information Technology, Inc	Goretti Medeiros	7 Blue Hill River Road			Canton	MA	02021
TOP 30	Medline Industries Inc	Brent Fogel	Three Lakes Drive			Northfield	IL	60093
TOP 30	Medstar Anesthesia Services Inc	Robert Resnick	9251 Wedgewood St			Temple City	CA	91780
National Association of Attorneys General	National Association of Attorneys General		1850 M Street NW, 12th Floor			Washington	DC	20036
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Attorney General of California	Office of the Attorney General	Roma Patel, Deputy Attorney General	300 South Spring Street, Suite 7505			Los Angeles	CA	90013-1230
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TOP 30	Philips Healthcare	Jose Rivera	222 Jacobs Street			Cambridge	MA	02141
Counsel for California Statewide Communities Development Corporation dba CSDA	Richards, Watson & Gershon	Stephen D. Lee	350 South Grand Avenue, 37th Floor			Los Angeles	CA	90071
TOP 30	Shiftwise	Jennifer Folds	200 SW Market Street Suite 700			Portland	OR	97201
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TOP 30	Sodexo Inc & Affiliates	Luis Lunalluna	9801 Washingtonian Boulevard			Gaithersburg	MD	20878
State of California Employment Development Department	State of California Employment Development Department	Bankruptcy Group MIC 92E	P. O. Box 826880			Sacramento	CA	94280-0001
TOP 30	Stryker Endoscopy	Joe Gallinatti	5900 Optical Ct			San Jose	CA	95138
TOP 30	Stryker Instruments	Donovan Reiley	4100 E. Milham Road			Kalamazoo	MI	49001
TOP 30	Stryker Orthopedics	Trent Zaks	325 Corporate Drive			Mahwah	NJ	07430
U.S. Department of Health & Human Services	U.S. Department of Health & Human Services	Alex M. Azar II, Secretary	200 Independence Avenue, S.W.			Washington	DC	20201
U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	Angela M. Belgrove, Assistant Regional Counsel	Office of the General Counsel, Region IX	90 7th Street, Suite 4-500		San Francisco	CA	94103-6705
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United States Attorney's Office	United States Attorneys Office	Northern District of California	150 Almaden Boulevard	Suite 900		San Jose	CA	95113
U.S. Department of Health and Human Services, among other agencies and departments of the United States	United States Department of Justice	Civil Division	Augustus T. Curtis	P.O. Box 875	Ben Franklin Station	Washington	DC	20044-0875
United States Attorney General	United States Department of Justice	Ben Franklin Station	P. O. Box 683			Washington	DC	20044
Office of the United States Trustee	United States Trustee	Peter C. Anderson	Office of the UST/DOJ	915 Wilshire Blvd., Suite 1850		Los Angeles	CA	90017
Chambers	USBC Central District of California	Hon. Sandra R. Klein	Edward R. Roybal Federal Building and U.S. Courthouse	255 East Temple Street, Suite 1582		Los Angeles	CA	90012

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