



C A L I F O R N I A

DEPARTMENT OF JUSTICE

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Attorney General

(ERRATA CORRECTED 11/4/24)

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Sent via email

RE: Children's Hospital of Orange County – Rady Children's Hospital San Diego

Dear Mr. Owens and Ms. McClary:

Pursuant to Corporations Code section 5920 et seq., the Attorney General hereby conditionally approves the proposed December 17, 2023 affiliation agreement of Rady Children's Hospital and Health Center, a California nonprofit public benefit corporation (RCHHC) and its subsidiary Rady Children's Hospital – San Diego, a California nonprofit public benefit corporation (RCHSD) with Children's Healthcare of California, a California nonprofit public benefit corporation (CHC), and its subsidiaries, Children's Hospital of Orange County, a California nonprofit public benefit corporation (CHOC) and Children's Hospital at Mission, a California nonprofit public benefit corporation (CHOC at Mission).

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

Sincerely,

Melissa Hamill

MELISSA HAMILL
Deputy Attorney General

For **ROB BONTA**
Attorney General

SA2024300629/38080621

SUMMARY LIST OF CONDITIONS

Condition I: Identifies the entities that are legally bound by the Conditions: Children's Hospital of Orange County (CHOC), Children's Hospital at Mission (CHOC at Mission), Children's HealthCare of California, Rady Children's Hospital – San Diego (RCHSD), Rady Children's Hospital and Health Center (RCHHC) and their affiliates.

Condition II: Identifies the transaction documents and requires the Parties to fulfill their terms, as well as provide 60 days' advance notice of any modifications or rescissions to allow for Attorney General review.

Condition III: Requires 60 days' advance notice of any transfer or change in governance/control for 10 years.

Condition IV: Requires continuous maintenance of the general acute care hospital licenses, certifications from the Centers for Medicare and Medicaid Services (CMS), and maintenance of all existing levels of services and beds, including emergency services and neonatal intensive care unit spaces, licensed to CHOC, CHOC at Mission and RCHSD for 10 years. Neither the suspension, downgrade nor eliminations of all beds designated to any basic or supplemental service unit, nor whole elimination of any one category of service may occur without justification to and approval of the Attorney General.

Condition V: Requires maintenance of existing and licensed specialty healthcare services offered in the spaces and settings of CHOC, CHOC at Mission and RCHSD for 10 years, and prohibits the relocation or diversion of these services among the hospitals or outside of the hospital service area geographies, absent Attorney General approval.

Condition VI: Requires continued participation in Medi-Cal and California Children's Services program and maintaining Medi-Cal Managed Care and county contracts for 10 years.

Condition VII: Requires a minimum of annual charity care for 10 years at the following levels: \$7,783,059 in annual charity care, increased annually by 4.08% at CHOC, \$1,587,883 in annual charity care, increased annually by 4.08% at CHOC at Mission, and \$11,673,961 in annual charity care, increased annually by 3.55% at RCHSD.

Condition VIII: Requires maintaining of a Financial Assistance Policy no less favorable than RCHSD's current policy for 10 years, as well as certain steps to inform patients and their representatives of that Policy, such as posting it within the hospital and online.

Condition IX: Requires annual minimum community benefit services amounts for 10 years at the following levels: \$40,305,159, increased annually by 4.08% at CHOC, \$30,056, increased annually by 4.08% at CHOC at Mission, and \$77,458,612, increased annually by 3.55% at RCHSD.

Condition X: Requires maintenance of existing language services for 10 years, including, for example, the language hotline, Financial Assistance Program applications written in

threshold languages, and translation services in languages spoken at CHOC, CHOC at Mission, and RCHSD, either as a primary language or through translation services.

Condition XI: Requires reimbursement from out-of-network payors for Emergency Department services at a rate no higher than actual expenses multiplied by the ratio between all commercial revenues to commercial expenses, plus an additional 20%, for 7 years.

Condition XII:

A. Prohibits anticompetitive practices including “bundling” or “all-or-nothing” contracting, penalizing payors for contracting with individual facilities or physician groups, combining billing rates through consolidation of hospital license, national provider numbers, or taxpayer identification numbers, and interfering with certain payor practices (e.g., benefit designs that reward providers for affordability or quality) for 10 years, with the possibility of extension for three additional years.

B. Caps annual price increases at 4.56% for 7 years, with the possibility of an extension for three additional years.

C. Allows an appointed independent Monitor for compliance and prohibits retaliation.

Condition XIII: Requires maintenance of separate payor negotiating teams, segregation of payor contracting information, establishment and maintenance of informational firewalls and implementation of policies, procedures, and systems to support such requirements, all for 10 years.

Condition XIV: Absent a legitimate, non-pretextual reason, forbids implicit or explicit exclusivity in academic affiliation agreements or any of the UCs placing trainees exclusively at CHOC, CHOC at Mission, or RCHSD, for pediatric physician and surgeon trainees. Forbids implicit or explicit exclusivity in academic affiliation agreements regarding other pediatric specialty trainees, with no exceptions. Annual reporting to the Monitor is required on the number of training slots offered to each academic institution for physician and surgeon trainees, but not others.

Generally, a legitimate, non-pretextual reason must be supported by objective, documented facts relating to quality, safety, or capacity constraints. A non-pretextual reason may not be to exclude rival hospitals, or otherwise limit competition (except for naked payments in exchange for training slots, unrelated to reasonable compensation). The Monitor may receive and investigate complaints and recommend remedial action by the Attorney General.

Condition XV: Requires maintaining open medical staff privileges and prohibits restrictions on medical staff contracting for 10 years.

Condition XVI: Requires maintaining privileges for current medical staff in good standing, prohibits non-compete terms in medical professional contracts, limits medical professional contract term lengths, requires honoring collective bargaining agreements and other agreements with employees, and requires reporting job classifications and compensation information to labor unions and union employees for 10 years.

Condition XVII: Requires maintenance of existing contracts with state and local governments for 10 years.

Condition XVIII: Requires CHOC, CHOC at Mission, and RCHSD to each maintain a community board for 10 years and requires consultation with the community board prior to making any non-emergency changes to services or community benefit programs.

Condition XIX: Requires specific capital planning investments and expenditure of community funds as set forth in the Affiliation Agreement between RCHHC and CHC.

Condition XX: Prohibits discrimination on the basis of protected personal characteristics.

Condition XXI: Requires annual detailed reporting of compliance with Conditions no later than six months after the conclusion of each year for 10 years.

Condition XXII: Requires provision of information that is reasonably necessary for the Attorney General to monitor compliance with the Conditions for 10 years.

Condition XXIII: Allows the Attorney General to appoint an independent Monitor for compliance with Conditions IV, V, VI, VII, VIII, IX, X, XI, XII, XVI, XVIII, and XIX for 10 years, with the possibility of an extension for three additional years for Competitive Impact Conditions VI, XI, XII, XIII, and XIV. Describes the Monitor's powers and duties, including reporting obligations. Prohibits retaliation for providing information.

Condition XXIV: At closing of the Affiliation Agreement, the entities listed in Condition I are deemed to have explicitly and implicitly consented to the applicability of and compliance with the Conditions for their duration. The Attorney General reserves the right to enforce Conditions to the fullest extent of the law and recover attorneys' fees.

SA2024300629/38477921

Attorney General’s Conditions to a Proposed Change in Control and Governance of Children’s Hospital of Orange County, a Nonprofit Public Benefit Corporation, and Children’s Hospital at Mission, a California Nonprofit Public Benefit Corporation, both subsidiaries of Children’s HealthCare of California, a California Nonprofit Public Benefit Corporation, Rady Children’s Hospital and Health Center, a California Nonprofit Public Benefit Corporation, and its subsidiary, Rady Children’s Hospital – San Diego, a Nonprofit Public Benefit Corporation, through an Affiliation Agreement between Rady Children’s Hospital and Health Center and Children’s HealthCare of California.

I.

These Conditions shall be legally binding on the following entities: Children’s Hospital of Orange County, a nonprofit public benefit corporation (CHOC),¹ and Children’s Hospital at Mission, a California nonprofit public benefit corporation (CHOC at Mission),² Children’s HealthCare of California, a California nonprofit public benefit corporation (CHC),³ Rady Children’s Hospital – San Diego, a California nonprofit public benefit corporation (RCHSD),⁴ Rady Children’s Hospital and Health Center, a California nonprofit public benefit corporation

¹ Throughout this document, the term “CHOC” shall include the 334-bed general acute care hospital located at 1201 West La Veta Avenue, Orange, California, 92868 and any other clinics, laboratories, units, services, or beds included on the license issued to “Children’s Hospital of Orange County” by the California Department of Public Health (CDPH) and effective on April 23, 2024.

² Throughout this document, the term “CHOC at Mission” shall include the 54-bed general acute care hospital, located within Providence Mission Hospital Mission Viejo, located at 27700 Medical Ctr. Rd., 5th Floor, Mission Viejo, California, 92691 and any other clinics, laboratories, units, services, or beds included on the license issued to “Children’s Hospital at Mission” by CDPH and effective on January 1, 2024.

³ Throughout this document, the term “CHC” shall include CHOC, CHOC at Mission, CHOC Foundation, a California nonprofit public benefit corporation, CRC Real Estate Corporation, a California nonprofit public benefit corporation, Providence Speech and Hearing Center, a California nonprofit public benefit corporation, Children’s Health Plan of California, a California nonprofit mutual benefit corporation, Orange County Medical Reciprocal Insurance Company, a Risk Retention Group, and Newport Language, Speech and Audiology Center, Inc., a California nonprofit mutual benefit corporation.

⁴ Throughout this document, the term “RCHSD” shall include the 507-bed general acute care hospital located at 3020 Children’s Way, San Diego, California, 92123 and any other community neonatal intensive care, perinatal intensive care or other pediatric care sites, clinics, laboratories, units, services, or beds included on the license issued to RCHSD by CDPH and effective on June 27, 2024.

(RCHHC),⁵ and any other subsidiary, parent, general partner, limited partner, member, affiliate,⁶ successor, successor in interest, assignee, or person or entity serving in a similar capacity of CHC, including its subsidiaries CHOC and CHOC at Mission, and RCHHC, including its subsidiary RCHSD, any entity succeeding thereto as a result of consolidation, affiliation, merger, or acquisition of all or substantially all of the real property or operating assets of any of the above-listed entities or the real property on which the aforementioned entities operate or are located; any and all current and future owners, lessees, licensees, or operators of any of the above-listed entities; and any and all current and future lessees and owners of the real property on which any of the above listed entities operate or are located.

II.

The transaction approved by the Attorney General consists of the Affiliation Agreement, December 17, 2023, attached hereto as Exhibit 1, by and between RCHHC and CHC, and any and all amendments, agreements, or documents referenced in or attached as an exhibit or schedule to any of the foregoing agreements (collectively, the “Affiliation Agreement”).

The entities listed in Condition I shall fulfill the terms of the Affiliation Agreement including, but not limited to, any exhibits or schedules to the Affiliation Agreement, and shall notify the Attorney General in writing of any proposed modifications or rescissions. Such notifications shall be provided at least sixty (60) days prior to their effective date in order to allow the Attorney General to consider whether they affect the factors set forth in Corporations Code section 5923 and require the Attorney General’s approval.

III.

For ten (10) years from the Closing Date of the Affiliation Agreement,⁷ the entities covered by Condition I shall be required to provide written notice to the Attorney General sixty (60) days prior to entering into any agreement or transaction to do any of the following:

a) Sell, transfer, lease, exchange, option, convey, manage, or otherwise dispose of any entity covered by Condition I; or

⁵ Throughout this document, the term “RCHHC” shall include, without limitation, RCHSD, Rady Children’s Hospital Foundation – San Diego, a California nonprofit public benefit corporation, Rady Children’s Hospital Research Center, a California nonprofit public benefit corporation doing business as Rady Children’s Institute – Genomic Medicine, Rady Children’s Health Services – San Diego, a California nonprofit public benefit corporation, Rady Children’s Physician Management Services, Inc., a California corporation, Children’s Health Plan of California, a California nonprofit mutual benefit corporation, Children’s Hospital Integrated Risk Protected Limited, and Children’s Hospital Insurance Limited.

⁶ Affiliates shall include, without limitation, any current or future affiliated physician group, including CHOC Foundation and Rady Children’s Hospital Foundation—San Diego and any current or future outpatient facilities.

⁷ As used herein, “Closing Date” is defined in Article XI, Section 11.1 of the Affiliation Agreement.

b) Transfer control, responsibility, management, or governance of any entity covered by Condition I. The substitution or addition of a new corporate member or members of any entity covered by Condition I that transfers the control of, responsibility for, or governance of that entity shall be deemed a transfer for purposes of this Condition. The substitution or addition of one or more members of the governing bodies of any entity covered by Condition I, or any arrangement, written or oral, that would transfer voting control of the members of the governing bodies of any entity covered by Condition I, shall also be deemed a transfer for purposes of this Condition.

IV.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall operate and maintain RCHSD, CHOC, and CHOC at Mission as licensed general acute care hospitals, as defined by Health and Safety Code section 1250, subdivision (a), whose health facilities shall provide 24-hour licensed basic, supplemental, and emergency general acute care hospital services with continuous participation in and certification by The Centers for Medicare and Medicaid Services (“CMS”). The entities in Condition I shall ensure and provide for adequate and appropriate equipment, supplies, staffing and space to safely operate and maintain all inpatient and outpatient services and settings of RCHSD, CHOC, and CHOC at Mission and shall comply with state and federal licensing and certification requirements, including, but not limited to, the regulatory requirements of CDPH, the Department of Health Care Services (“DHCS”), the Board of Pharmacy, and CMS. Further, the entities listed in Condition I shall neither permanently nor temporarily suspend, downgrade, or wholly eliminate a basic or supplemental service or all beds belonging to any category of a basic or supplemental services located at RCHSD, CHOC, or CHOC at Mission without first providing justification to and obtaining approval of the Attorney General. Further, the entities listed in Condition I shall provide the following minimum licensed services or bed designations:

a) For RCHSD:

- 1) 52 Intensive Care beds;
- 2) 139 Intensive Care Newborn Nursery beds;
- 3) 249 General Acute Care beds;
- 4) 24 Distinct Part Acute Psychiatric beds;
- 5) 43 Distinct Part Skilled Nursing beds;
- 6) 11 Pediatric beds at Grossmont Hospital, 5555 Grossmont Center Drive, La Mesa, California, 91942;
- 7) 13 Neonatal Intensive Care Unit Level III beds at Southwest Healthcare System, 25500 Medical Center Drive, Murrieta, California, 92562, and Neurology Services;
- 8) 8 Intensive Care Newborn Nursery Level II beds at Scripps Memorial Hospital Encinitas, 354 Santa Fe Drive, Encinitas, California, 92024;
- 9) 19 Intensive Care Newborn Nursery Level II beds at Scripps Mercy Hospital, 4077 5th Avenue, San Diego, California, 92103;
- 10) 18 Intensive Care Newborn Nursery Level III beds at Scripps Memorial Hospital La Jolla, 9888 Genesee Avenue, La Jolla, California, 92037;
- 11) Sterile Compounding IV Room approved for patient use;
- 12) a Level 1 Pediatric Trauma Center and 24-hour Emergency services with a

- Children's Hospital Emergency Transport (CHET) Team for emergency and critical care transport of neonatal and pediatric patients; and
- 13) Multispecialty services at the Fresh Start Clinic, 7920 Frost Street, Suite 200, San Diego, California, 92123.

b) For CHOC:

- 1) 158 Pediatric General Acute Care beds;
- 2) 104 Intensive Care Newborn Nursery beds;
- 3) 54 Intensive Care beds;
- 4) 18 Acute Psychiatric beds;
- 5) a Level I Pediatric Trauma Center and 24-hour Emergency services; and
- 6) 13 Neonatal Intensive Care unit beds at St. Joseph Hospital, 1100 W. Stewart Drive, Orange, California, 92868.

c) For CHOC at Mission:

- 1) 24 Pediatric Acute Care beds;
- 2) 22 Intensive Care Newborn Nursery;
- 3) 8 Intensive Care;
- 4) a Level II Pediatric Trauma Center and 24-hour Emergency Services; and
- 5) 24-hour basic emergency services at Mission Hospital Laguna Beach.

V.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall continuously maintain and provide their licensed and existing specialty health care services and programs offered in the clinical spaces, settings, or geographies of RCHSD, CHOC, or CHOC at Mission at no less than their current capacities, types, acuity levels, licenses, and certifications, and in compliance with state and federal regulations. Further, the entities listed in Condition I shall neither permanently nor temporarily suspend all beds or services of a specialty health care service or program of RCHSD, CHOC, or CHOC at Mission, nor relocate or divert any specialty healthcare services outside of their respective geographies or to another of their hospitals without first providing justification to and obtaining approval from the Attorney General for the proposed suspension, relocation, or diversion. The existing specialty healthcare services and programs that shall be maintained and provided at RCHSD, CHOC, and CHOC at Mission, for purposes of this Condition, shall include but not be limited to all of the following to the extent they are a licensed and existing service or program of RCHSD, CHOC, or CHOC at Mission:

- 1) Allergy and Immunology services;
- 2) Autism and Neurodevelopmental disorder services;
- 3) Behavioral Health. Psychology and Psychiatry services for children and adolescents;
- 4) Acute Dialysis, Chronic Dialysis, Hemodialysis, Isolation, Home Training and Support services;
- 5) Cancer and Blood Disorders services including Hematology, Oncology and Radiation services, and Bone Marrow Transplant services;

- 6) Cardiac Catheterization Laboratory and services, Advanced Cardiac Imaging; Cardiovascular surgery, Cardiothoracic Intensive Care, and Heart Transplant services;
- 7) Dental services;
- 8) Dermatology services;
- 9) Diabetes and Endocrinology services;
- 10) Gender-Affirming Care services;
- 11) Gastroenterology surgery and services;
- 12) Genetics services;
- 13) Gynecology services;
- 14) Hospice and Palliative Care services;
- 15) Home Infusion Pharmacy and Home Health Agency services;
- 16) Nuclear Medicine services;
- 17) Neuromuscular, Traumatic Brain & Spinal Cord Ambulatory Care services;
- 18) Neurosurgery and Neurology services;
- 19) Nephrology and Renal Transplant services;
- 20) Neonatology surgery and services;
- 21) Primary Care;
- 22) Pulmonology and Respiratory Care surgery and services;
- 23) Occupational, Physical, and Speech Therapy services, Speech Pathology services, and Audiology services;
- 24) Orthopedics and Scoliosis services;
- 25) Otolaryngology services;
- 26) Proton Therapy services;
- 27) Radiology;
- 28) Rehabilitation Care services;
- 29) Rheumatology services;
- 30) Epilepsy and Sleep Disorders services;
- 31) Social services;
- 32) Speech Pathology services;
- 33) Sports Medicine services;
- 34) Transfusion or Blood Donor services;
- 35) Urgent Care; and
- 36) Urology services.

VI.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall:

- a) Be certified to participate in the Medi-Cal program at RCHSD, CHOC, and CHOC at Mission;
- b) Maintain Medi-Cal Managed Care and county contracts in effect as of February 6, 2024, the Notice Date of the Affiliation Agreement, to provide the same types and levels of emergency and non-emergency services at RCHSD, CHOC, and CHOC at Mission to Medi-Cal beneficiaries (both county and Medi-Cal Managed Care) as required in these Conditions, on the same terms and conditions as other similarly situated pediatric specialty hospitals in the State offering substantially the same services, without any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage, unless the contract is terminated by either party for cause,

the compensation is not fair and reasonable,⁸ or the contract is not extended or renewed by a Medi-Cal Managed Care Plan or county on its own initiative without cause; and

c) Continue participation in the California Children’s Services (CCS) program⁹ and provide the same types and levels of emergency and non-emergency services at RCHSD, CHOC, and CHOC at Mission to CCS beneficiaries as required in these Conditions.

VII.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall provide an annual amount of charity care (as defined below) at CHOC, CHOC at Mission, and RCHSD, equal to or greater than the following minimum amounts (calculated in accordance with standards set by the California Department of Health Care Access and Information (“HCAI”) and representing an average of the level of charity care provided by each hospital for the most recent three years prior to the Closing Date for which data are available), with an annual increase as designated below:

Years 2-15		Minimum Annual	
Facility	Charity Care Amount	Annual % Increase	CHOC
	\$7,783,059	4.08% ¹⁰	CHOC at Mission \$1,587,883
	4.08% ¹¹ RCHSD	\$11,673,961	3.55% ¹²

For purposes hereof, the term “charity care” shall mean the amount of charity care costs (not charges) incurred by CHOC, CHOC at Mission, and RCHSD in connection with the operation and provision of services at CHOC, CHOC at Mission, and RCHSD. The definition and

⁸ An offer of compensation by a Medi-Cal Managed Care or county plan shall be deemed “fair and reasonable” at rates currently in effect or as long as the rates that a Medi-Cal Managed Care plan or county is willing to accept are at or below the median for similarly situated pediatric specialty hospitals in the State. The baseline for calculating the median shall assume that the rates for similarly situated pediatric specialty hospitals do not need to be adjusted for case mix or wage differentials. However, each party to a contract shall consider in good faith commercially reasonable adjustments to the median if data provided shows that adjustments are warranted based on case-mix differentials as measured by the prevailing CMS/Medicare payment systems such as the MS-DRG classification system and weights or geographic wage differentials in hospital input prices as measured by the prevailing estimates based on Medicare Hospital Wage Index values.

⁹ The CCS program is administered as a partnership between county health departments and DHCS, and provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with CCS-eligible medical conditions.

¹⁰ 4.08% is the average annual increase in the Los Angeles-Long Beach-Anaheim, California Medical Care Consumer Price Index (CPI) from 2021 to 2023.

¹¹ See footnote 10.

¹² 3.55% is the average annual increase in the San Diego California Medical Care CPI from 2021 to 2023.

methodology for calculating “charity care” and the methodology for calculating “costs” shall be the same as that used by HCAI for annual hospital reporting purposes.¹³

If the actual amount of charity care provided at CHOC, CHOC at Mission, and RCHSD for any year is less than the Minimum Charity Care Amount required for such year, CHOC, CHOC at Mission, or RCHSD shall pay an amount equal to the deficiency to one or more tax-exempt entities that provide direct healthcare pediatric services to residents in the hospitals’ service areas, including Imperial County, Orange County, Riverside County, San Bernardino County, Los Angeles County, and San Diego County. Such payment(s) shall be made within six (6) months following the end of such year.

VIII.

Within ninety (90) days from the Closing Date of the Affiliation Agreement and for ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall use and maintain a Financial Assistance Policy that is no less favorable than RCHSD’s Financial Assistance Policy (attached as Exhibit 2) and take the following steps to ensure that patients at CHOC, CHOC at Mission, and RCHSD are informed about the Financial Assistance Policy:

- a) All patients shall be offered to be screened for financial need, whether the patient has private insurance, Medi-Cal, Medicare, or is uninsured;
- b) 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 in CHOC, CHOC at Mission, and RCHSD where there is a high volume of patient traffic, including waiting rooms, billing offices, and outpatient service settings;
- c) 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 CHOC, CHOC at Mission, and RCHSD’s websites, as applicable;
- d) 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;
- e) As necessary and at least on an annual basis, CHOC, CHOC at Mission, and RCHSD will place an advertisement regarding the availability of financial assistance at CHOC, CHOC at Mission, and RCHSD in a newspaper of general circulation in the communities served by CHOC, CHOC at Mission, and RCHSD, or issue a Press Release to widely publicize the availability of the Financial Assistance Policy to the communities served by CHOC, CHOC at Mission, and RCHSD;

¹³ HCAI defines charity care by contrasting charity care and bad debt. According to HCAI, “the determination of what is classified as bad debt versus what is considered charity care can be made by establishing whether or not the patient has the ability to pay. The patient’s accounts receivable must be written off as bad debt if the patient has the ability but is unwilling to pay off the account. While bad debts are based on several generally accepted methods (estimated provisions), charity care reflects actual amounts written off and is not the expected level of charity to be provided.” OSHPD [now HCAI], Accounting & Reporting Manual for California Hospitals § 1400 (1998), <https://hcai.ca.gov/wp-content/uploads/2020/10/Chpt1000.pdf>.

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

g) No later than sixty (60) days after the Closing Date of the Affiliation Agreement, CHOC, CHOC at Mission, and RCHSD shall 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 at CHOC, CHOC at Mission, and RCHSD. CHOC, CHOC at Mission, and RCHSD shall also provide this training on an annual basis to staff who interact with patients and their families.

IX.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall provide an annual amount of Community Benefit Services at CHOC, CHOC at Mission, and RCHSD equal to or greater than below amounts per facility (“Minimum Community Benefit Services Amount” or “MCBSA”) exclusive of any funds from grants, as adjusted under the methodology described below:¹⁴

<u>Facility</u>	<u>Year 1 MCBSA</u>	<u>Years 2-15 Annual % Increase</u>
CHOC	\$40,305,159	4.08%
CHOC at Mission	\$30,056	4.08%
RCHSD	\$77,458,612	3.55%

For the second year and each subsequent year, the Minimum Community Benefit Services Amount shall increase yearly by the percentages stated above for each facility.¹⁵

If the actual amount of community benefit services provided at CHOC, CHOC at Mission, and RCHSD for any year is less than the Minimum Community Benefit Services Amount (as adjusted pursuant to the above-referenced Consumer Price Index) required for such year, CHOC, CHOC at Mission, or RCHSD shall pay an amount equal to the deficiency to one or more tax exempt entities that provide community benefit services for residents in the hospitals’ service areas, including Imperial County, Orange County, Riverside County, San Bernardino County, Los Angeles County, and San Diego County. Such payment(s) shall be made within six (6) months following the end of such year.

¹⁴ This figure is calculated in accordance with standards set by HCAI and represents an average of the level of community benefits provided by CHOC, CHOC at Mission, and RCHSD for the most recent three years prior to the Closing Date for which data are available.

¹⁵ See footnotes 10-12.

X.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall maintain language services currently available to patients at CHOC, CHOC at Mission, and RCHSD, at no cost to patients. These include:

- a) Language hotline.
- b) Financial Assistance Program applications written in English, Spanish, Arabic, Vietnamese, Tagalog, Somali, Farsi, Korean, and Mandarin.
- c) Languages spoken at CHOC, CHOC at Mission, and RCHSD either as a primary language or through translation services as indicated in the Written Notice.¹⁶
- d) Deaf and hearing-impaired interpreter services and communication aids during the provision of health services or treatment.

XI.

For seven (7) years from the Closing Date of the Affiliation Agreement, if RCHSD, CHOC or CHOC at Mission were not contracted with a Payor,¹⁷ as of February 6, 2024, the Notice Date of

¹⁶ Pg. 007992 of the Written Notice. The languages listed are English and Spanish and the current Medi-Cal threshold languages are as follows: San Diego County: Arabic, English, Spanish, and Vietnamese; Riverside County: Spanish and English; and Orange County: Arabic, Farsi, Korean, Mandarin, Spanish, and Vietnamese. To the extent that Medi-Cal threshold languages change during the term of these Conditions, any additional languages identified by DHCS are hereby included.

¹⁷ “Payor” means a company that provides health insurance policies or makes hospital networks accessible for residents of San Diego, Orange, Riverside, San Bernardino, and Imperial counties. The term “Payor” includes self-funded employers that do the foregoing, as well as independent physician associations (e.g., Family Choice Medical Network or Prospect Medical Group, now known as Optum (HealthCare Partners)), who in turn provide capitated services, under a limited or restricted Knox-Keene Act license from the Department of Managed Health Care, to any Payor who sells any commercial, Medicare, and Medi-Cal healthcare plans of any kind or makes any networks available to self-insured employers, union trusts, and/or state and local government entities. Examples of Payors include but are not limited to: Aetna Health of California, Aetna Health Management, Aetna Life Insurance Co., Anthem Blue Cross Inc./Blue Cross of California, California Physician Services (d/b/a Blue Shield of California), Cigna HealthCare of California, Inc., Cigna Health and Life Insurance Co., Heritage, HealthCare Partners, Health Net of California, Inc., Inland Empire Health Plan, The Orange County Health Authority (d/b/a CalOptima), Molina Healthcare of California, United Healthcare of California (and their subdivisions, subsidiaries, successors, assigns, and affiliates), and IPAs such as Optum Healthcare, Prospect Medical Group, St. Joseph Health, Heritage Provider Network, and Memorial Care Medical Group. However, the term “Payor” does not include any commercial health plans or networks co-branded with any healthcare provider of any pediatric services other than CHOC or CHOC at Mission (although “Payors” can include capitated IPAs affiliated with healthcare providers other than CHOC or CHOC at Mission that contract, or seek to contract, with non-healthcare provider affiliated Payors).

the Affiliation Agreement, or if any of the Controlled Hospitals¹⁸ should subsequently go out of network with a Payor with whom they were contracted as of that date, RCHSD, CHOC, and CHOC at Mission will be subject to reimbursement from that Payor for Emergency Services¹⁹ at a rate no higher than a percentage of its expenses equal to: the average, for the three years preceding the year when the Emergency Services were provided, of the ratio between commercial revenues to commercial expenses, plus an additional twenty (20) percentage point upward adjustment to allow for a differential of costs and pricing between emergency patients and non-emergency patients. For clarity, this Condition shall not apply so long as a Controlled Hospital has a contract with a Payor covering Emergency Services at the time they are provided. This maximum rate cap is subject to any other applicable statutory limitations on reimbursement rates for emergency services.

XII

1. For ten (10) years from the Closing Date of the Affiliation Agreement, unless a Payor voluntarily requests otherwise, CHOC, CHOC at Mission, CHC (including CHOC Foundation) shall negotiate all commercial and Medi-Cal Managed Care contracts, including contracts for Covered California, with any Payor, separately and independently from RCHSD or RCHHC (including Rady Hospital Foundation—San Diego). This includes a prohibition on any Controlled Hospital using a combined hospital license,²⁰ national provider identifier or taxpayer identification number for purposes of contracting with or billing Payors, including commercial or government sponsored health plans, such that one Controlled Hospital cannot be added or convert to another Controlled Hospital's hospital license, national provider identifiers, or taxpayer identification number to assume, operate or bill under another Controlled Hospital's existing Contract Terms.²¹ Further Controlled Hospitals will not expressly or implicitly condition the participation of, or impose any Contract Terms concerning, a Controlled Hospital including prices or any other conditions, on the

¹⁸ "Controlled Hospital" means any licensed hospital space or medical group that is controlled by RCHHC, including RCHSD, CHOC, CHOC at Mission, CHOC Foundation, Rady Hospital Foundation—San Diego, and any clinical space licensed to the aforementioned hospitals, including community NICUs or any controlled entity, for example physician groups, as of the Closing Date or thereafter. Notwithstanding the foregoing, any hospital acquired pursuant to California Corporations Code section 5920 by RCHHC after the Closing Date, shall not be deemed a Controlled Hospital unless the Attorney General adds that hospital to this definition after notification to RCHHC and providing RCHHC with a reasonable opportunity to respond.

¹⁹ "Emergency Services" means items and services needed to screen, treat, and stabilize a patient with an emergency medical condition.

²⁰ For purposes of this Condition, a "hospital license" means an operating license for general acute care hospital facilities granted by CDPH.

²¹ "Contract Terms" means the conditions under which a Controlled Hospital is willing to contract with a Payor, including price and reimbursement terms, terms under which the Controlled Hospital will participate as a network provider (including a provider in a tiered network), terms relating to utilization review, information or data disclosure and sharing, and terms relating to quality of care.

participation of, or any Contract Terms concerning, one or more other Controlled Hospitals, with any Payor. This prohibition on conditioning of participation or Contract Terms across Controlled Hospitals includes:

- (a) Engaging a Payor in “all-or-nothing” contracting for hospital services by expressly or impliedly requiring the Payor to contract with all Controlled Hospitals and not permitting the Payor to contract with individual Controlled Hospitals, including by conditioning the participation, pricing, or Contract Terms of a Controlled Hospital in a Commercial or Government-Sponsored Product²² on any of the following:
 - (i) the participation or Contract Terms of another Controlled Hospital in the same or any other Commercial or Government-Sponsored Product offered by the Payor;
 - (ii) the pricing of another Controlled Hospital in the same or any other Commercial or Government-Sponsored Product offered by the Payor; or
 - (iii) the status (including the decision on whether to include or exclude) a Controlled Hospital in the Payor’s center of excellence program (or other program designed to differentiate hospitals based on their quality of care, their cost, or other consideration), or the exclusion of any third party’s hospital in the Payor’s center of excellence program (or other similar program).
 - (b) Explicitly or implicitly penalizing a Payor for contracting with individual Controlled Hospitals, including setting significantly higher than existing contract prices or out-of-network fees for any or all Controlled Hospitals, should the Payor choose to contract with less than all of the Controlled Hospitals. If a Controlled Hospital is not contracted with a Payor, such Controlled Hospital will be subject to reimbursement from that Payor as determined under California Code of Regulations, title 28, section 1300.71, subdivision (a)(3)(B), limited by and subject to the out-of-network caps for emergency room services provided at CHOC, CHOC at Mission and RCHSD, as set in Condition XI.
 - (c) Interfering with, or otherwise engaging in any action, direct or indirect, to prevent the introduction or promotion of new narrow, tiered, or steering Commercial or Government-Sponsored Products or value-based benefit designs for Commercial or Government-Sponsored Products (i.e., benefit designs that attempt to reward providers for affordability and/or quality), including reference pricing.
2. For seven (7) years from the Closing Date of the Affiliation Agreement, the maximum that RCHHC may charge a Payor for any Commercial or Government-Sponsored Product of a Payor for hospital services that are being performed at CHOC, CHOC at Mission, or RCHSD as of the Closing Date will be governed by the applicable payment provisions in the Contract Terms that are in effect between the CHOC, CHOC at Mission, or RCHSD and that Payor, subject to any renewal Contract Terms that are negotiated in compliance with these

²² “Commercial or Government-Sponsored Product” means a commercial or government-sponsored product (e.g., Medi-Cal managed care plans) offered by a Payor.

Conditions VI(b), XI, XII #1, XII #3, XIII, so long as such annual price increases do not exceed 4.56% per year.²³

3. Retaliation or threats of retaliation based on any Payor, entity, or individual having provided information in conjunction with these Conditions to any party, the Monitor (as defined by XXIII below), or a court is prohibited.

XIII.

For ten (10) years from the Closing Date of the Affiliation Agreement:

1. *Separate Payor Negotiating Teams.* CHC shall continue to maintain a team of negotiators for payor contracts exclusively responsible for negotiating payor contracts for CHOC and CHOC at Mission (“CHOC Negotiating Team”) that will not overlap with, and shall otherwise be kept separate from, the team of negotiators for RCHHC or RCHSD (“Rady Negotiating Team”).

RCHHC and any of its affiliates shall continue to maintain a team of negotiators for payor contracts exclusively responsible for negotiating payor contracts for RCHSD and that team will not overlap with, and otherwise shall be kept separate from, the CHOC Negotiating Team. To the extent RCHHC or RCHSD negotiate, or participate in, the negotiation of system-wide contracts across the entire RCHHC, they shall not evade the provisions in this Condition XIII through such system-wide contractual negotiations or system-wide contracts.

The CHOC Negotiation Team and Rady Negotiating Team shall operate independently of each other and shall have the exclusive responsibility of negotiating their respective payor contracts separately and in competition with each other and other healthcare systems.

At the voluntary request of a specific Payor or future Payor and upon written notice to the Attorney General’s Office for each and every applicable joint negotiation, RCHHC shall be permitted to negotiate a payor contract for hospital services jointly for both CHOC, CHOC at Mission, and RCHSD for that specific Payor for that specific Payor contract.

2. *Segregation of Information.* For purposes of these Conditions, “Payor Contracting Information” shall mean prices; rates; price-related terms (including maximum reimbursement amounts allowed or amounts paid for services), definitions, conditions, or policies; and pricing methodologies concerning contracts or negotiations with a specific Payor or future Payor; provided, however, that “Payor Contracting Information” shall not include: (i) information that is in the public domain or that falls in the public domain through no violation of these Conditions or breach of any confidentiality or non-disclosure agreement with respect to such information by RCHHC or any of its affiliates; (ii) information that becomes known to RCHHC from a third party that RCHHC reasonably believes has disclosed that information legitimately; (iii) information that is required by law to be publicly

²³ The 4.56% per year price cap is calculated using the average percent change from July 2021-July 2024 of the U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Hospital Services in U.S. City Average, All Urban Consumers, Seasonally Adjusted, [CUSR0000SEMD01], available at <https://data.bls.gov/dataViewer/view/timeseries/CUSR0000SEMD01>.

disclosed; (iv) information of a Payor that applies to all providers or to all providers within a category (e.g., provide type or geography) unrelated to provider prices, rates, or price-related terms; or (v) aggregate information²⁴ concerning the financial condition of CHOC or CHOC at Mission. This paragraph shall not be construed to require CHOC or CHOC at Mission to have a separate and independent electronic system of any kind for storing and accessing clinical information from RCHHC. Nor shall it be construed to require RCHHC to maintain separate teams to manage billing, reimbursement, collections, and related activities (“Contract Administration”); provided, however, that RCHHC prohibits the sharing of any Payor Contracting Information applicable to RCHHC and any of its affiliates with the CHOC Negotiating Team and prohibits the sharing of any Payor Contracting Information applicable to CHOC Negotiating Team with the Rady Negotiating Team.

Payor Contracting Information with respect to the CHOC and its affiliates shall not, directly or indirectly, be transmitted to or received by the Rady Negotiating Team or by RCHHC and any of its affiliates, and Payor Contracting Information with respect to RCHHC or any of its affiliates and shall not, directly or indirectly, be transmitted to or received by the CHOC Negotiating Team, except as provided in this Condition.

3. No later than ninety (90) days after the Closing Date, RCHHC shall implement procedures and protections to ensure that Payor Contracting Information for RCHHC or any of its affiliates, on the one hand, and CHOC and CHOC at Mission, on the other, is maintained separately and confidentially, including but not limited to:
 - (a) Establishing an information firewall (“Firewall”) that prevents the Rady Negotiating Team, RCHHC or any of its affiliates from requesting, receiving, sharing, or otherwise obtaining any Payor Contracting Information with respect to CHOC or CHOC at Mission, and prevents the CHOC Negotiating Team from requesting, receiving, sharing, or otherwise obtaining any Payor Contracting Information with respect to RCHHC or any of its affiliates.

The Firewall shall include reasonable confidentiality protections, internal practices, training, segregation of personnel, communication restrictions, data storage restrictions, protocols, and other system and network controls and restrictions, all as reasonably necessary to make the Firewall effective.

The Firewall shall also include measures by which the Monitor, as appointed pursuant to Condition XXIII, CHOC, CHOC at Mission, and RCHHC shall (1) investigate any suspected material violation of any established policies and procedures; (2) develop and implement appropriate remedial training and/or disciplinary action for any substantiated violation; (3) adopt disclosure mitigation measures in the event of a breach; and (4) document and maintain records of reported Firewall policy violations to provide to the Attorney General’s Office upon request.

²⁴ “Aggregate information” shall mean information that is aggregated across services and across Payors at a level sufficient that each separate contracting team cannot reverse-engineer specific information known to one contracting team using the information known to the other contract team.

- (b) Establishing a software application or other data system that houses Payor Contracting Information (“Contract System”) that is utilized by the Rady Negotiating Team that is separate or clearly partitioned from the Contract System that is utilized by the CHOC Negotiating Team to ensure the confidentiality of Payor Contracting Information;
- (c) Causing each of RCHHC’s employees with access to Payor Contracting Information to maintain the confidentiality of that information, including but not limited to:
 - (i) requiring each employee to sign a statement that the individual will comply with these terms;
 - (ii) maintaining complete records of all such statements; and
 - (iii) providing an officer’s certification to the Attorney General’s Office as part of the annual reporting required by these Conditions stating that such statements have been signed and, to the best of that officer’s knowledge, information, and belief, are being complied with by all relevant employees.
- (d) This Condition shall not operate to prevent RCHHC’s officers from requesting, receiving, sharing, using, or otherwise obtaining Payor Contracting Information relating to any of CHOC or CHOC at Mission’s, including, but not limited to, aggregated information related to costs, quality, patient mix, service utilization, experience data, budgets, capital needs, expenses, and overhead. Provided that, however, RCHHC’s officers may not share Payor Contracting Information regarding CHOC or CHOC at Mission with the Rady Negotiating Team, or regarding RCHHC and any of its affiliates, with the CHOC Negotiation Team, and may, directly or indirectly, not influence the actions or goals of each respective team based on Payor Contracting Information that may not be shared with it.
- (e) If a Payor or future Payor voluntarily elects to negotiate and contract jointly for hospital services for both RCHHC and CHOC or CHOC at Mission, nothing in these Conditions shall prohibit RCHHC from requesting or obtaining Payor Contracting Information with respect to hospital services for RCHHC and CHOC or CHOC at Mission for that particular Payor or from using that Payor Contracting Information for that particular Payor with respect to the joint negotiations and contracting for that particular Payor Contract.
- (f) Nothing in these Conditions shall prevent the department that will be responsible for contract administration for RCHHC and CHOC or CHOC at Mission (“Corporate Payor Contracting Department”) from requesting Payor Contracting Information from the Rady Negotiating Team or the CHOC Negotiating Team, provided, however, that:
 - (i) the Payor Contracting Information that is requested and obtained is used solely for the purpose of contract administration, and
 - (ii) the Corporate Payor Contracting Department is prohibited from providing, sharing, or otherwise making available Payor Contracting Information from the Rady Negotiating Team to or with the CHOC Negotiating Team; or from the CHOC Negotiating Team to or with the Rady Negotiating Team.

Within ninety (90) days of the Closing Date of the Affiliation Agreement, RCHHC, CHOC and CHOC at Mission shall affirm to the Attorney General's Office that they will continue to maintain, as separate, non-overlapping negotiating teams, the CHOC Negotiating Team, the Rady Negotiating Team, and the Joint Negotiating Team, respectively, and identify the members of each negotiating team. RCHHC, CHOC, and CHOC at Mission shall provide annually, starting January 1, 2025, as well as an update as to the identity of the members of each negotiating team, and continue to affirm that they are maintaining these separate, non-overlapping negotiating teams.

XIV.

1. For ten (10) years from the Closing Date of the Affiliation Agreement, unless there is a legitimate, non-pretextual reason for doing so, the Controlled Hospitals may not, either explicitly or implicitly:
 - (a) require an academic institution to exclusively place its students or graduates training in pediatric clinical services for physicians and surgeons²⁵ at one or more of the Controlled Hospitals; or
 - (b) agree with an academic institution to exclusively take students or graduates training in pediatric clinical services only from that academic institution.
2. For ten (10) years from the Closing Date of the Affiliation Agreement, the University of California²⁶ may not, either explicitly or implicitly, exclusively place its students or graduates training in pediatric clinical services at one or more of the Controlled Hospitals unless there is a legitimate, non-pretextual reason for doing so.
3. For ten (10) years from the Closing Date of the Affiliation Agreement, the Controlled Hospitals shall submit to the Monitor appointed pursuant to Condition XXIII a report detailing, with respect to students or graduates training in pediatric clinical services for physicians or surgeons, for each Controlled Hospital and for each affiliated academic institution, by type of position or training program:
 - (a) the number of students or graduates training in pediatric clinical services receiving training; and
 - (b) the approximate hours of training received and the locations where training occurred, including locations that are not at a Controlled Hospital; and

²⁵ For purposes of Conditions XIV(1)-(5), "training in pediatric clinical services for physicians and surgeons" shall mean work performed as part of training programs for clinical professionals as physicians or surgeons, but only to the extent the relevant training is for a pediatric specialty or intended to fulfill a pediatric-specific requirement for a non-pediatric specialty.

²⁶ For purposes of this Condition, the University of California refers to The Regents of the University of California, and any academic institution under their control. The University of California does not agree to the Attorney General's jurisdiction over it with respect to this transaction but agrees not to contest this Condition.

- (c) the changes in the preceding numbers from the prior year; and
 - (d) any legitimate reasons for such changes.
4. For ten (10) years from the Closing Date of the Affiliation Agreement, the Controlled Hospitals may not, either explicitly or implicitly:
- (a) require an academic institution to exclusively place its students or graduates training in other pediatric clinical services²⁷ at one or more of the Controlled Hospitals; or
 - (b) agree with an academic institution to exclusively take students or graduates training in other pediatric clinical services only from that academic institution.
5. An academic institution or a competing general acute care pediatric hospital that believes it has been adversely affected by any Controlled Hospital entering an exclusive arrangement with an academic institution, or an academic institution other than a medical school that believes it has been adversely affected by any Controlled Hospital's reduction or restriction of the availability or location of training in pediatric clinical services for physicians and surgeons or training in other pediatric clinical services²⁸ may complain to the Monitor appointed pursuant to Condition XXIII. Upon receipt of a complaint, the Monitor shall promptly investigate the matter and report to the Attorney General on the legitimate reason offered by the Controlled Hospitals, and whether that reason is pretextual.²⁹ The Monitor shall provide notice³⁰ to the Controlled Hospital and/or any affected party such as the University of California and thirty (30) days thereafter to respond and provide information regarding why the reason offered is not pretextual. If the Monitor determines that the reason offered is pretextual, it may also recommend the Attorney General take appropriate corrective action, including, but not limited to, petitioning a court to require the Controlled Hospital to offer additional training to an academic institution, or to void an exclusivity provision in a contract.
6. For purposes of these Conditions XIV(1)-(5), legitimate, non-pretextual reasons for a reduction or restriction of, or for exclusivity with respect to, any arrangement between a

²⁷ For purposes of Conditions XIV(4)-(5), "training in other pediatric clinical services" shall mean work performed as part of training programs for clinical professionals other than physicians and surgeons, including, but not limited to: nurses, psychology, social work, physician assistants and medical assistants and medical technicians, but only to the extent the relevant training is for a pediatric specialty or intended to fulfill a pediatric-specific requirement for a non-pediatric specialty.

²⁸ In the event this Condition applies to the University of California, the general rules on exclusivity would still apply.

²⁹ The terms "pretext" or "pretextual" are to be interpreted as those terms are defined under California law.

³⁰ In providing such notice, the Monitor may make appropriate redactions or take any other steps reasonably necessary to protect the anonymity of the complainant.

Controlled Hospital and any academic institution for training in pediatric clinical services shall include:³¹

- (a) ensuring prospective trainees meet specific, pre-established, documented, and uniformly applied or objective qualification criteria relevant to each training position, such as necessary certifications, minimum academic achievements, or required clinical experience, all as established by the law or in a writing or a decision issued by a relevant accreditation body;³² or
- (b) ensuring the health and safety of patients based on documented risk factors³³ directly associated with trainee participation; or
- (c) meeting minimal specific, pre-established, documented, and objectively measurable criteria for the quality of training experiences, such as trainee-to-supervisor ratios, trainee-to-encounter ratios, or similar measures as established by the law or in writing issued by a relevant accreditation body; or
- (d) ensuring proper supervision of trainees, as established by the law or in writing issued by a relevant accreditation body, at available staffing levels, supported by specific evidence of staffing levels and supervisor qualifications showing an inability to accommodate additional trainees without compromising supervision quality; or
- (e) ensuring sufficient availability of training sites and ancillary services to support trainees as documented by facility capacity reports and usage statistics indicating that current resources are fully utilized; or
- (f) the quality or accreditation of academic institutions based on specific, documented information in deciding how to allocate limited resources to support training, but only when significant differences that would materially affect the quality of training are documented; or
- (g) mitigating a risk to the accreditation of an academic institution related to its training program at a Controlled Hospital, where the risk is communicated in writing from a relevant accreditation body; or

³¹ Such reasons must also consider the goals of offering training opportunities to diverse groups of trainees and academic institutions.

³² For purposes of this Condition, a relevant accreditation body shall include the Liaison Committee on Medical Education or the Commission on Osteopathic College Accreditation or their constituent parts.

³³ As documented by opinions, articles, guidelines, or other publications issued by the American Academy of Pediatrics, the National Academy of Medicine, the American Board of Pediatrics, the American Osteopathic Board of Pediatrics, the National Institute of Health, the Association of American Medical Colleges, the American Osteopathic Association, the Medical Board of California, the Osteopathic Medical Board of California, or similar reputable institutions, or supported by research published in reputable medical journals, or by reporting of actual incidents related to patient safety to the CDPH, or a similar regulatory agency.

- (h) the level of support provided by the academic institution, including provision of on-site training instructors and the quality of such instructors meeting specific, documented qualifications that are consistently applied; or
 - (i) preventing the loss or denial of training slots to academic institutions who provide payment for those slots other than payment of reasonable compensation for costs incurred in connection with that training program.
7. For purposes of Conditions XIV(1)-(5), legitimate, non-pretextual reasons for a reduction or restriction of, or for explicit or implicit exclusivity with respect to, any arrangements between a Controlled Hospital may not include:
- (a) excluding a competing pediatric general acute care hospital from receiving trainees solely to limit competition, without any documented and specific legitimate, non-pretextual reason; or
 - (b) preferencing a Controlled Hospital or, collectively, all the Controlled Hospitals in recruiting clinical professionals over competing general acute care pediatric hospitals without any documented and specific legitimate, non-pretextual reason; or
 - (c) receiving payments for training slots, other than reasonable compensation for costs incurred in connection with such training programs, absent any documented and specific legitimate, non-pretextual reason; or
 - (d) utilizing an academic institution's greater resources to manipulate an objective measure listed in Condition XIV(6), such as trainee-to-supervisor ratios, the level of support provided by an academic institution, or any other similar measures, when done solely for purposes of evading these conditions; or
 - (e) maintaining the quality of training experiences when all relevant academic institutions seeking training at a Controlled Hospital meet the minimal criteria established by the law or in a writing issued by a relevant accreditation body; or
 - (f) citing general resource constraints without providing specific, documented evidence of such constraints impacting the training program in question.
8. The Controlled Hospitals shall use best efforts to establish an opportunity program for high-achieving students at under-resourced academic institutions to allow those students to receive training at the Controlled Hospitals.

XV.

Open Medical Staff and Physician Affiliations. For ten (10) years from the Closing Date, the Controlled Hospitals will not otherwise expressly or implicitly condition medical staff privileges, on the employment, contracting, affiliation, or appointment status of a physician with and Controlled Hospital.

Medical Staff Contracting. For ten (10) years from the Closing Date, Controlled Hospitals shall not impose any requirement upon any member of the Controlled Hospitals' medical staff, as a condition of their medical staff membership or privileges that expressly or implicitly:

- (a) restricts, or imposes implicit or express exclusivity on, those physicians' or providers' ability to contract with Payors;
- (b) restricts, or imposes implicit or express exclusivity on, those physicians' or providers' ability to refer patients to health facilities, physicians, or other healthcare providers that are not affiliated with, employed by, or otherwise contracted with Controlled Hospitals; and
- (c) imposes any noncompetition, non-solicitation, nondisclosure, noninterference, non-disparagement, or other restrictive covenant obligation.

For the avoidance of doubt, the Controlled Hospitals may adopt, amend, investigate, and enforce policies and procedures that prohibit unlawful kickbacks, referrals, and inducements. The Controlled Hospitals shall ensure equal access to healthcare without discrimination, and without respect to their Payor or their source of referral. Nothing in this Condition shall preclude the Controlled Hospitals from requiring that practicing physicians participate in the specific Payor plans offered at the Controlled Hospitals.

XVI.

For ten (10) years from the closing of the Affiliation Agreement, the entities listed in Condition I shall maintain privileges for current medical staff at RCHSD, CHOC and CHOC at Mission who are in good standing as of the Closing Date of the Affiliation Agreement. Further, the Affiliation Agreement shall not change the medical staff officers, committee chairs, nor independence of the medical staff, and such persons shall remain in good standing for the remainder of their tenure as medical staff officers or committee chairs at RCHSD, CHOC, and CHOC at Mission. This Condition is not intended to preclude medical staff leadership changes as warranted for operational flexibility in accordance with the medical staff bylaws in effect on the Closing Date.

1. For ten (10) years from the Closing Date of the Affiliation Agreement, RCHHC, CHC or any affiliated entity shall not:
 - (a) include exclusivity terms in contracts with independent physician groups, independent medical professionals or physicians employed by or affiliated with healthcare systems or hospitals other than RCHHC or CHC, or include any terms that explicitly or implicitly achieve the same effects as explicit exclusivity; or
 - (b) employ contracts with medical professionals employed by an RCHHC or CHC affiliated medical foundation which include explicit or implicit non-compete clauses. Such contracts may not include terms lasting for more than three years, unless the medical professionals or unions representing them request otherwise.
2. For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall honor all existing collective bargaining agreements and all employee benefit plans, other similar benefit plan, policy, contract, commitment, understanding, or arrangement, whether written or unwritten, including any superseding, successor, or replacement agreements or arrangements, and any amendments and exhibits thereto, with employees or their labor union, labor organization, or collective bargaining unit. Moreover,

the entities listed in Condition I shall not utilize any threats, promises, or inducement to deprive employees of any existing labor union, labor organization, or collective bargaining unit representation, including any coordinated lockout of such representation at more than one of the Controlled Hospitals.

3. For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall report or make available to any collective bargaining agreement division or unit, or any labor union that is representing a division or unit, of any of those entities, the following information, 90 days prior to any expiration, termination, or commencement of renegotiation or negotiation of their collective bargaining agreement, whichever is earliest, in accordance with the terms below.

- (a) For each job classification covered by the collective bargaining agreement division or unit, or labor union representing a division or unit, whose contract is expiring, or that is being terminated, renegotiated, or negotiated and each substantially similar job classification at the entities listed in Condition I, the reported information shall include:
 - i. the total number of unionized employees and non-unionized employees in each such job classification for the year prior to the date the report is made available;
 - ii. the pay scale for each such job classification reported for the year prior to the date the report is made available; and
 - iii. the benefits, including retirement benefits, for each such job classification reported for the year prior to the date the report is made available.
- (b) The reported information shall be disclosed only to the union or division that is party to the collective bargaining agreement that is expiring or being terminated, renegotiated, or negotiated, subject to the execution of a confidentiality agreement.³⁴ A labor union employee may only receive such reported information after executing a confidentiality agreement that imposes similar obligations.
- (c) The reported information may be made available to the labor union through an online portal or some other mutually agreed upon method, with controlled access as reasonably appropriate to individuals who signed the confidentiality agreement, to maintain such agreed upon confidentiality.

XVII.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall maintain all contracts, including any superseding, successor, or replacement contracts, and any amendments and exhibits thereto, with local governments or their subdivisions, departments, or agencies for services at CHOC, CHOC at Mission, and RCHSD

³⁴ The confidentiality agreement may not restrict the union or employee's ability to use or share the same information if acquired from another source not subject to confidentiality restrictions.

unless otherwise terminated by the local government or the State, as applicable, including, but not limited to, the contracts listed in Exhibit 3.

XVIII.

For ten (10) years from the Closing Date of the Affiliation Agreement, the entities listed in Condition I shall maintain a community board at CHOC, CHOC at Mission, and RCHSD including physicians, employees, and community representatives.³⁵ CHOC, CHOC at Mission, and RCHSD shall consult with the community board at least sixty (60) days prior to making any non-emergency changes to services or community benefit programs at CHOC, CHOC at Mission, and RCHSD. The community board may comment on all reports submitted to the Attorney General regarding compliance with these Conditions and such comments shall be included in the written report provided to the Attorney General pursuant to Condition XXII.

XIX.

RCHHC will invest in the CHC Capital Plan for strategic investments as set forth in the Affiliation Agreement, and shall include:

- Enterprise Master Plan Phase 1: \$711,000,000 for the BHT Expansion and SouthWest Tower;
- Enterprise Master Plan Phase 2: \$571,000,000 for the West Tower; and
- Strategic Initiatives: \$141,500,000.

RCHHC will invest in the RCHHC Capital Plan for strategic investments as set forth in the Affiliation Agreement, and shall include:

- Enterprise Master Plan Phase 1: \$1,605,077,000 for the Tower and Enabling Projects;
- Enterprise Master Plan Phase 2: \$175,800,000 for the Mental/Behavioral health building; and
- Strategic Initiatives: \$123,879,000.

RCHHC will, in accordance with Section 14.3 of the Affiliation Agreement, commit \$300,000,000 in Community Commitment Funds for programs and operations within the communities currently served by CHC.

³⁵ Community representatives of a hospital's board shall reside in the geographies comprising the service areas of that hospital, shall have at least one or more family members that have received care at that hospital, and shall not have a financial relationship or affiliation with the entities listed in Condition I.

Complying with, and implementing, the aforementioned capital plans for these investments is a requirement of this Condition.

XX.

The entities listed in Condition I shall prohibit 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. 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.

XXI.

For ten (10) years from the Closing Date of the Affiliation Agreement the entities listed in Condition I shall submit to the Attorney General, no later than six (6) months after the conclusion of each year, a report describing in detail compliance with each Condition set forth herein. The first report shall be due no later than six (6) months after the Closing Date. The Chair(s) of the Board of Directors of RCHSD, CHOC, and CHOC at Mission shall each certify that the report is true, accurate, and complete, and provide documentation of the review and approval of the report by the Board of Directors.

XXII.

At the request of the Attorney General, the entities listed in Condition I shall provide such information as is reasonably necessary for the Attorney General to monitor compliance with these Conditions and the terms of the transaction as set forth herein. The Attorney General will, at the request of an entity listed in Condition I 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.

XXIII.

1. The Attorney General shall have the power to appoint and will promptly appoint a person selected as described in this Condition XXIII (“Monitor”) to monitor and evaluate compliance with this Agreement, performing the following services:

- (a) *Selection*: The Attorney General has the sole discretion to select the Monitor subject to consultation with RCCHC. To be qualified to serve as a Monitor, a candidate must

disclose to the Attorney General and to RCHHC any potential conflict of interest, be experienced with managed care contracting in general, if not also knowledgeable as to managed care contracting in California and be knowledgeable about federal and California antitrust law. RCCHC will disclose candidates it proposes to serve as the Monitor to the Attorney General and the Attorney General will disclose candidates it proposes to serve as the Monitor to RCCHC. The Attorney General and RCCHC shall consider diversity, equity, and inclusion in proposing candidates to serve as the Monitor. The Attorney General will give due consideration to any candidates proposed by RCCHC and RCCHC will give due consideration to any candidates proposed by the Attorney General. Any interviews of any candidates will be jointly conducted by RCCHC and the Attorney General. Within 120 days from the Closing Date of the Affiliation Agreement, the Attorney General will select the Monitor. Not later than thirty (30) days after the Attorney General's selection of the Monitor, RCCHC shall execute an agreement that, subject to the prior approval of the Attorney General, confers on the Monitor those rights, powers, and authorities necessary to permit the Monitor to perform his/her duties and responsibilities described in XXIII(b) below. RCCHC may require the Monitor and each of the Monitor's staff and experts to sign a customary confidentiality agreement; provided however, that such agreement shall not restrict the Monitor from providing any information to the Attorney General. RCCHC will be solely responsible for the expenses of the selected Monitor, including staff and experts of the Monitor, in performing the services described in XXIII(b) below.

- (b) *Powers*: The Monitor shall have the following powers to the extent necessary to monitor compliance with all Competitive Impact Conditions³⁶ and Equity Impact Conditions³⁷ to investigate RCCHC's compliance with all such Competitive Impact Conditions and Equity Impact Conditions; to take complaints from Payors, RCCHC, or from the Attorney General (with reasonable notice to be provided thereafter to all parties); to inspect records and compel disclosure of confidential documents subject to any demonstrated legally recognized privilege and appropriate confidentiality protections; to interview witnesses (if RCCHC employees, then subject to reasonable prior notice and the opportunity for RCCHC to have counsel present); to hire staff and experts; and to make recommendations concerning enforcement, oversight, and surveillance to the Attorney General.
- (c) *Duty to Cooperate*: RCCHC shall cooperate with the Monitor in the performance of the Monitor's work and shall take no action to interfere with or impede the Monitor's ability to monitor compliance with these Conditions.
- (d) *Reporting*: RCCHC shall provide annual reports to the Monitor of RCCHC's efforts to comply with all Competitive Impact Conditions and Equity Impact Conditions. Within a reasonable time from the date the Monitor receives these reports, the Monitor will be obligated to report in writing to the Attorney General and RCCHC as to any and all

³⁶ "Competitive Impact Conditions" means the conditions in Conditions: VI(b), XI, XII #1-3, XIII, XIV, and XVI #1.

³⁷ "Equity Impact Conditions" means the conditions in Conditions: IV, V, VI (a) and (c), VII, VIII, IX, X, XVI #2, XVIII and XIX.

concerns as set out in these annual reports regarding RCCHC's performance of their respective obligations under all Competitive Impact Conditions and Equity Impact Conditions.

The Attorney General may extend any of the Competitive Impact Conditions for three (3) years upon their expiration. In deciding whether to extend these Competitive Impact Conditions for three (3) years, the Attorney General shall consider whether RCCHC committed a material violation of the Competitive Impact Conditions within the preceding ten (10) years for all Competitive Impact Conditions except for Competitive Impact Conditions XI and XII #2 for which the Attorney General shall consider whether RCCHC committed a material violation within the preceding seven (7) years.

XXIV.

Once the Affiliation Agreement is closed, the entities listed in Condition I are deemed to have explicitly and implicitly consented to the applicability of and compliance with each and every Condition and to have waived any right to seek judicial relief with respect to each and every Condition.

The Attorney General reserves the right to enforce each and every Condition set forth herein to the fullest extent provided by law. In addition to any legal remedies the Attorney General may have, the Attorney General shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of any of these Conditions.

Pursuant to Government Code section 12598, the Attorney General shall also be entitled to recover its attorney fees and costs incurred in remedying each and every violation.

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EXHIBIT 1

**CHILDREN’S HEALTHCARE OF CALIFORNIA,
a California nonprofit public benefit corporation,**

**CHILDREN’S HOSPITAL OF ORANGE COUNTY,
a California nonprofit public benefit corporation,**

**CHILDREN’S HOSPITAL AT MISSION,
a California nonprofit public benefit corporation,**

**RADY CHILDREN’S HOSPITAL AND HEALTH
CENTER,
a California nonprofit public benefit corporation**

and

**RADY CHILDREN’S HOSPITAL – SAN DIEGO,
a California nonprofit public benefit corporation**

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AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (this “Agreement”) is made and effective as of December 17, 2023 (the “Execution Date”) by and among Children’s HealthCare of California, a California nonprofit public benefit corporation (“CHC”), Children’s Hospital of Orange County, a California nonprofit public benefit corporation, (“CHOC”), and Children’s Hospital at Mission, a California nonprofit public benefit corporation (“CHOC at Mission”), on the one hand, and Rady Children’s Hospital and Health Center (“RCHHC”), a California nonprofit public benefit corporation, and Rady Children’s Hospital – San Diego, a California nonprofit public benefit corporation (“RCHSD”), on the other hand. CHC, CHOC, CHOC at Mission, RCHHC and RCHSD are referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, CHC is a California nonprofit public benefit corporation that is the parent organization of a health care system serving Orange County and portions of Western Riverside County, San Bernardino County and Los Angeles County. CHC is the sole corporate member of CHOC, which owns and operates an acute care hospital located at 1201 W. La Veta Avenue, Orange, California 92868 (“CHOC Hospital”) and provides various outpatient and medical services in CHOC’s community through other health care related businesses and facilities. CHC is also the sole corporate member of CHOC at Mission, which operates an acute care hospital located at 27700 Medical Center Road, 5th Floor, Mission Viejo, California 92691 (“CHOC at Mission Hospital”) and provides various outpatient and medical services in CHOC at Mission’s community through other health care related businesses and facilities. CHC, CHOC and CHOC at Mission also operate other health care related businesses and facilities through wholly owned and partially owned subsidiaries.

WHEREAS, RCHHC is a California nonprofit public benefit corporation that is the parent organization of a health care system serving San Diego County, Imperial County and a portion of Southern Riverside County. RCHHC is the sole corporate member of RCHSD, which owns and operates an acute care hospital located at 3020 Children’s Way, San Diego, California 92123 (“Rady Children’s Hospital”) and provides various outpatient and medical services in RCHSD’s community through other health care related businesses and facilities. RCHHC and RCHSD also operate other health care related businesses through wholly owned and partially owned subsidiaries.

WHEREAS, the Parties desire to affiliate on the terms and conditions set forth in this Agreement (collectively, the “Affiliation”) for the purpose of establishing an integrated healthcare delivery system to benefit patients by increasing access to, and improving outcomes and the quality of care of, healthcare within CHC’s and RCHHC’s communities and to further CHC’s and RCHHC’s mission of advancing quality of care and furthering the charitable activities of CHC and RCHHC in a manner consistent with the Parties’ charitable missions and purposes;

WHEREAS, to implement the Affiliation, the Parties contemplate, among other things, that CHC will merge with and into RCHHC, which would result in RCHHC being the sole corporate member of CHOC, CHOC at Mission, CHOC Foundation, CRC Real Estate

Corporation, Children's Health Plan of California, RCHSD, Rady Children's Hospital Foundation – San Diego, Rady Children's Hospital Research Center d/b/a Rady Children's Institute for Genomic Medicine, Children's Hospital Integrated Risk Protective Limited and the sole shareholder of Rady Children's Physician Management Services, and that each Party and their respective affiliates and subsidiaries will amend and restate their organizational documents to address certain structural and governance matters, as set forth herein. RCHHC shall sometimes be referred to herein as "Parent" in the context of RCHHC's existence after the Closing.

WHEREAS, the Parties desire to implement the Affiliation in furtherance of the following objectives:

- a. Enhance and improve quality across the entire pediatric continuum of care, including population health management.
- b. Improve access to pediatric medical and surgical services, including access to excellent tertiary and quaternary services, for residents of Orange County, San Diego County, and the greater communities served by the organizations.
- c. Amplify advocacy and development of sustainable programs to address the region's pediatric behavioral and mental health needs.
- d. Develop innovative models of care that improve outcomes, satisfaction and cost.
- e. Invest in programs and services that address the individual and collective needs of Orange County, San Diego County, and the greater communities served by the organizations.
- f. Create an innovative vision and dynamic culture that attracts the very best in clinical, research and leadership talent to Orange County, San Diego County and the greater communities served by the organizations and retains a highly engaged workforce to further the pediatric mission in Orange County, San Diego County and the greater communities served by the organizations.
- g. Advance the teaching and research missions of the organizations in alignment with the University of California and its medical schools and other schools.
- h. Create a collective vision that will attract more philanthropic, clinical, and research funding.
- i. Collaborate with the state, county, and other health systems to further support pediatric services to the communities.
- j. Utilize performance metrics and best practices to ensure fiscal and operational accountability, and in doing so, to improve clinical and operational efficiency for the benefit of the organizations' patient communities.

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

Article I

DEFINITIONS AND INTERPRETATION

1.1 Definitions. As used in this Agreement, the following terms have the meanings given:

“Action” shall mean any action, complaint, suit, litigation, proceeding, arbitration, mediation, labor dispute, arbitral action, hearing, grievance, demand, notice, citation, governmental audit, criminal prosecution or unfair labor practice charge or complaint.

“Affiliation” is defined in the Recitals to this Agreement.

“Agreement” is defined in the Preamble to this Agreement.

“Attorney General” is defined in Section 7.1(a).

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

“CGCL” is defined in Section 2.1.

“CHC” is defined in the Preamble to this Agreement.

“CHC Assets” means any and all assets owned by a CHC Entity or used in the Ordinary Course of the CHC Operations taken as a whole or in the individual operations of any CHC Entity, including: (i) the CHC Real Property, (ii) all tangible personal property owned by a CHC Entity and used in connection with the CHC Operations, of every kind and nature, including all furniture, fixtures, equipment, machinery, vehicles, and owned or licensed computer systems, (iii) all inventories of useable supplies, drugs, food, janitorial and office supplies, maintenance and shop supplies, and other disposables and consumables owned by any CHC Entity and used in connection with the CHC Operations, and (iv) all goodwill and other intangible assets of a CHC Entity, and all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, copyrights, trade secrets and similar intangibles (including variants of and applications for any of the foregoing).

“CHC Capital Plan” is defined in Section 14.1(a).

“CHC Consolidated Group” means all CHC Entities that are consolidated on the financial statements of CHC.

“CHC Employee Benefit Program” means any pension, profit-sharing, savings, retirement, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, phantom stock or other equity-based compensation, change-in-

control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, Code Section 125 “cafeteria” or “flexible” benefit, or other material employee or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, legally binding or not (including, but not limited to, every “employee benefit plan,” within the meaning of ERISA Section 3(3)) (i) currently maintained, sponsored or contributed to (or with respect to which any obligation to maintain, sponsor or contribute has been undertaken) by any CHC Entity or any ERISA Affiliate, (ii) under which any current or former employee or director of any CHC Entity has any present or future right to benefits, and (iii) with respect to which any CHC Entity has any liability.

“CHC Entities” means, collectively, or “CHC Entity” means individually: (i) CHC, (ii) CHOC, (iii) CHOC at Mission, (iv) CHOC Foundation, a California nonprofit public benefit corporation, (v) CRC Real Estate Corporation, a California nonprofit public benefit corporation, (vi) Providence Speech and Hearing Center, a California nonprofit public benefit corporation, (vii) Children’s Health Plan of California, a California nonprofit mutual benefit corporation, (viii) Orange County Medical Reciprocal Insurance Company, a Risk Retention Group, and (ix) Newport Language, Speech and Audiology Center, Inc., a California nonprofit mutual benefit corporation.

“CHC Entity Insurance Policies” is defined in Section 6.14(a).

“CHC Entity Intellectual Property Assets” is defined in Section 6.13.

“CHC Entity Title Reports” means those certain title reports prepared by Chicago Title Insurance Company having the following title numbers: (i) 00192824-987-OC1-K27; (ii) 00192820-987-OC1-K27; (iii) 00192818-987-OC1-K27; (iv) 00192819-987-OC1-K27; (v) 00192823-987-OC1-K27; (vi) 00192825-987-OC1-K27; (vii) 00192822-987-OC1-K27; and (viii) 00192821-987-OC1-K27.

“CHC Excepted Entities” is defined in Section 7.5(a)(ii).

“CHC Financial Statements” means the audited consolidated statement of financial position of the CHC Consolidated Group as of June 30, 2023, and the consolidated statements of operations of the CHC Consolidated Group for the year then ended; and the unaudited interim consolidated statement of financial position of the CHC Consolidated Group as of September 30, 2023, and the unaudited interim consolidated statements of operations of the CHC Consolidated Group for the period then ended.

“CHC Government Authorizations” is defined in Section 8.1(a).

“CHC Guaranteed Funding Amount” is defined in Section 14.1(a).

“CHC Healthcare Service” means any licensed or license-exempt healthcare service provided by any CHC Entity.

“CHC’s Knowledge” means the actual or constructive knowledge of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Transformation Officer, Chief Legal Officer or Chief Human Resources Officer of a CHC Entity after due inquiry.

“CHC Leased Real Property” is defined in Section 6.6(a).

“CHC Leases” is defined in Section 6.6(a).

“CHC Operations” means any and all operations conducted by any CHC Entity, including, without limitation, all CHC Healthcare Services.

“CHC Owned Real Property” is defined in Section 6.6(a).

“CHC Plan of Finance” is defined in Section 14.1(a).

“CHC Real Property” is defined in Section 6.6(a).

“CHC Schedules” is defined in the introductory language in Article VI.

“CHC Subsidiary” means any entity that, directly or indirectly through one or more intermediaries, is Controlled by CHC. Without limiting the generality of the foregoing, “CHC Subsidiary” shall include those entities of which CHC is a corporate member and those entities in which CHC owns more than fifty-percent (50%) of the voting securities.

“CHC Tax-Exempt Bonds” is defined in Section 6.17(b).

“CHOC” is defined in the Preamble to this Agreement.

“CHOC Amended Articles” is defined in Section 3.1.

“CHOC Amended Bylaws” is defined in Section 3.1.

“CHOC at Mission” is defined in the Preamble to this Agreement.

“CHOC at Mission Amended Articles” is defined in Section 3.2.

“CHOC at Mission Amended Bylaws” is defined in Section 3.2.

“CHOC at Mission Hospital” is defined in the Recitals to this Agreement.

“CHOC Bond Indentures” means (1) that certain Bond Indenture dated as of August 1, 2021 by and between the California Health Facilities Financing Authority and U.S. Bank National Association, (2) that certain Bond Indenture dated as of August 1, 2019 by and between the California Health Facilities Financing Authority and U.S. Bank National Association, and (3) any other document providing conditions the satisfaction of which is required in order to substitute or replace the CHOC Master Indenture or the obligations issued thereunder.

“CHOC Hospital” is defined in the Recitals to this Agreement.

“CHOC Master Indenture” means that certain Amended and Restated Master Trust Indenture dated as of August 1, 2019, by and among CHOC, CHC, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as successor master trustee, as amended from time to time.

“Closing” is defined in Section 11.1.

“Closing Date” is defined in Section 11.1.

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

“Community Commitment Funds” is defined in Section 14.3.

“Contracts” or “Contract” means all commitments, contracts, leases, Licenses, agreements and understandings, written or oral, including agreements with payors, physicians and other providers, agreements with health maintenance organizations, independent practice associations, preferred provider organizations and other managed care plans and alternative delivery systems, joint venture and partnership agreements, management, employment, retention and severance agreements, vendor agreements, real and personal property leases and schedules, maintenance agreements and schedules, agreements with municipalities and labor organizations, and bonds, notes, mortgages and other agreements related to indebtedness.

“Control” or “Controlled” (including, with correlative meanings, the terms “controlled by” and “under common control with”) means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by Contract or otherwise.

“Disclosure Schedules” means the RCHHC Schedules and CHC Schedules.

“Dispute” is defined in Section 16.10(a).

“Dispute Notice” is defined in Section 16.10(a).

“Disputing Party” is defined in Section 16.10(a).

“DOL” is defined in Section 5.9(b).

“Drop Dead Date” is defined in Section 9.1(d).

“Effective Time” is defined in Section 11.1.

“Employee Welfare Benefit Plan” shall have the meaning set forth in Section 3(1) of ERISA.

“Encumbrances” means all liabilities, levies, claims, charges, assessments, mortgages, security interests, liens, pledges, conditional sales agreements, title retention contracts, leases,

subleases, rights of first refusal, options to purchase, restrictions and other encumbrances, and agreements or commitments to create or suffer any of the foregoing.

“Enforceability Exceptions” means exceptions to enforceability resulting from applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors’ rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity.

“Environmental Claim” means any written or threatened, claim, Action, cause of action, investigation or notice by any Person alleging potential liability arising out of, based on or resulting from (a) the presence, release, or threatened release, of any Hazardous Materials in violation of Environmental Laws or Environmental Licenses, or in an amount or concentration requiring remedial action under Environmental Laws, at or from any location owned or operated by a RCHHC Entity or CHC Entity, as applicable, or (b) any violation or alleged violation of Environmental Laws.

“Environmental Laws” means any and all Laws relating to pollution, contamination or protection of human health (as it relates to exposure to Hazardous Materials) or the environment (including ground water, land surface or subsurface strata), including Laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, recycling, reporting or handling of Hazardous Materials.

“Environmental Licenses” means any and all Licenses issued pursuant to Environmental Laws.

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

“ERISA Affiliate” means an any person or entity that directly Controls, is Controlled by, or is under common Control with a Person if it is considered a single employer with such Person under ERISA Section 4001(b) or Section 414 of the Code, or part of the same “controlled group” as such Person for purposes of ERISA Section 302(d)(3).

“Execution Date” is defined in the Preamble to this Agreement.

“Financial Targets” is defined in Section 14.4(a).

“Funding Amount” is defined in Section 14.1(a)(i).

“GAAP” means United States generally accepted accounting principles.

“Governing Documents” means (a) if a corporation, the articles of incorporation and bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization and operating agreement; (e) if another type of entity, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the entity; (f) if a trust, the declaration

of trust or trust agreement and any related court orders; and (g) any amendment or restatement to any of the foregoing.

“Government Payment Programs” means federal and state Medicare, Medicaid and TRICARE (f/k/a CHAMPUS) programs, and similar or successor programs with or for the benefit of Governmental Entities.

“Governmental Entity” or “Governmental Entities” means any United States federal, state, provincial, county, municipal, regional or local governmental, or any political subdivision thereof, and any entity, department, commission, bureau, agency, authority, board, court or other similar body or quasi-governmental body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or other political subdivision thereof.

“Hazardous Materials” means all chemicals, pollutants, contaminants, wastes (including medical waste), toxic substances, petroleum and petroleum products regulated under Environmental Laws, including hazardous wastes as defined under the Resource, Conservation and Recovery Act, 42 U.S.C. §§ 6903 et seq., hazardous substances as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq., asbestos, polychlorinated biphenyls and urea formaldehyde, per- and polyfluoroalkyl substances, and low-level nuclear materials, special nuclear materials or nuclear-byproduct materials, all within the meaning of the Atomic Energy Act of 1954, as amended, and any rules, regulations or policies promulgated thereunder.

“Health Information Laws” means all Laws relating to the privacy and security of patient, medical or individual health information, including the Health Insurance Portability and Accountability Act of 1996, as amended and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations, when each is effective and as each is amended from time to time.

“Health System” means the health system established by the affiliation of the CHC Entities and RCHHC Entities pursuant to this Agreement.

“Health System Branding Plan” is defined in Section 13.2.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder.

“Institutional Review Board” means any board, committee, or other group formally designated by an institution to review clinical research involving humans as subjects, to approve the initiation of and conduct periodic review of such research.

“Interim Period” means the period of time between the Execution Date and the Closing Date or earlier termination of this Agreement.

“IRS” means the Internal Revenue Service.

“IT Systems” means hardware, servers, databases, Software, networks, telecommunications systems, websites, computer equipment, interfaces, platforms, systems, other information technology and related infrastructure.

“Law” or “Laws” means all laws, statutes, codes, regulations, rules, orders, injunctions, decrees, judgments, decisions, stipulations, verdicts, common law and ordinances including, but not limited to: state corporate practice of medicine Laws and regulations, state professional fee-splitting laws and regulations, Health Information Laws, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (the “Affordable Care Act”), the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn), any applicable state fraud and abuse prohibitions, including those that apply to all payors (governmental, commercial insurance and self-payors), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the civil False Claims Act (31 U.S.C. §§ 3729 et seq.), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the civil monetary penalty laws (42 U.S.C. § 1320a-7a), and any other local, state, federal, domestic, municipal, foreign or other law, regulation, guidance document, manual provision, program memorandum, opinion letter, or other public issuance to the extent enforceable by any Governmental Entity.

“Licenses” means licenses, permits, authorizations, certifications, accreditations, registrations and franchises.

“Lookback Period” means the five (5) year period ending on the Execution Date.

“Material Adverse Change” means, with respect to a Party, an event, change or circumstance, which, individually or together with any other event, change or circumstance, has or is reasonably expected to have a material and adverse effect on, or cause a material and adverse change in, the financial condition, business or results of operations of the Party (the RCHHC Entities, taken as a whole, or the CHC Entities, taken as a whole, as applicable) or on the ability of the Party to consummate the Affiliation. Notwithstanding the foregoing, none of the following (or any results thereof), alone or in combination, will constitute or be considered or taken into account in determining the existence of a Material Adverse Change:

(i) changes in the financial or operating performance due to or caused by the announcement, pendency or consummation of the Affiliation, or the execution of this Agreement or the performance of obligations hereunder;

(ii) requirements, reimbursement rates, policies or procedures of third-party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities; provided, however, the foregoing may constitute, be considered or taken into account in determining the existence of a Material Adverse Change to the extent such changes or effects have a materially disproportionate effect on the Party compared to other Persons in the industries and geographic regions in which the Party does business;

(iii) any action taken by, or with the express written consent of, the other Party; or

(iv) any action by a Party or any of its trustees, directors, officers, employees or representatives required to be taken by this Agreement.

“Material Consents” is defined in Section 10.1(f).

“Meet and Confer” is defined in Section 16.10(a).

“Merger” is defined in Section 2.1.

“Merger Agreement” is defined in Section 2.1.

“Mitigation Plan” is defined in Section 14.4(a).

“Multiemployer Plan” shall have the meaning set forth in Section 3(37) of ERISA or Section 4001(a)(3) of ERISA.

“NDA” is defined in Section 7.6.

“New Parent Name” is defined in Section 4.1.

“Ordinary Course” or “Ordinary Course of Business” means the ordinary course of business, operations and activities of either the CHC Entities or the RCHHC Entities, as applicable, consistent with past practice (including with respect to quantity and frequency, as applicable) or approved operating and capital budgets of the applicable entity.

“Parent” is defined in the Recitals to this Agreement.

“Parent Amended Articles” is defined in Section 4.1.

“Parent Amended Bylaws” is defined in Section 4.1.

“Party” is defined in the Preamble to this Agreement.

“PBGC” is defined in Section 5.9(b).

“Person” means an individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or other entity, or any Governmental Entity or quasi-governmental body or regulatory authority.

“Personal Information” means any information or data in any media that, alone or in combination with other information, (i) can be used to identify a natural person or (ii) constitutes “personal information,” “personal data,” “protected health information” or any other equivalent term as defined under applicable Law.

“Phase 1 Philanthropy Shortfall” is defined in Section 14.3.

“Phase 1 Philanthropy Target” is defined in Section 14.3.

“Plan for Community Commitment Funds” is defined in Section 14.3.

“Plant Closure Laws” means any “plant closure” or “mass layoff” Law, which includes the Federal Worker Adjustment and Retraining Notification Act (29 U.S.C. §§ 2101 et seq.) and its California counterpart (California Labor Code Sections 1400 et seq.).

“Process” or “Processing” means any operation or set of operations that is performed upon data or information, whether or not by automatic means, including collection, access, acquisition, creation, derivation, recordation, organization, storage, adaptation, alteration, correction, retrieval, maintenance, consultation, use, disclosure, dissemination, transmission, transfer, making available, alignment, combination, blocking, storage, retention, deleting, erasure, or destruction.

“Rady Children’s Hospital” is defined in the Recitals to this Agreement.

“RCHHC” is defined in the Preamble to this Agreement.

“RCHHC Assets” means any and all assets owned by a RCHHC Entity or used in the Ordinary Course of the RCHHC Operations taken as a whole or in the individual operations of any RCHHC Entity, including: (i) the RCHHC Real Property, (ii) all tangible personal property owned by an RCHHC Entity and used in connection with the RCHHC Operations, of every kind and nature, including all furniture, fixtures, equipment, machinery, vehicles, and owned or licensed computer systems, (iii) all inventories of useable supplies, drugs, food, janitorial and office supplies, maintenance and shop supplies, and other disposables and consumables owned by any RCHHC Entity and used in connection with the RCHHC Operations, and (iv) all goodwill and other intangible assets of an RCHHC Entity, and all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, copyrights, trade secrets and similar intangibles (including variants of and applications for any of the foregoing).

“RCHHC Capital Plan” is defined in Section 14.1(b).

“RCHHC Consolidated Group” means all RCHHC Entities that are consolidated on the financial statements of RCHHC.

“RCHHC Employee Benefit Program” means any pension, profit-sharing, savings, retirement, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life, Code Section 125 “cafeteria” or “flexible” benefit, or other material employee or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, legally binding or not (including, but not limited to, every “employee benefit plan,” within the meaning of ERISA Section 3(3)) (i) currently maintained, sponsored or contributed to (or with respect to which any obligation to maintain, sponsor or contribute has been undertaken) by any RCHHC Entity or any ERISA Affiliate, (ii) under which any current or former employee or director of any RCHHC Entity has any present or future right to benefits, and (iii) with respect to which any RCHHC Entity has any liability.

“RCHHC Entities” means, collectively, or “RCHHC Entity” means, individually: (i) RCHHC, (ii) RCHSD, (iii) Rady Children’s Hospital Foundation – San Diego, a California nonprofit public benefit corporation, (iv) Rady Children’s Hospital Research Center, a California nonprofit public benefit corporation doing business as Rady Children’s Institute – Genomic Medicine, (v) Rady Children’s Health Services – San Diego, a California nonprofit public benefit corporation, (vi) Rady Children’s Physician Management Services, Inc., a California corporation, (vii) Children’s Health Plan of California, a California nonprofit mutual benefit corporation, (viii) Children’s Hospital Integrated Risk Protected Limited, and (ix) Children’s Hospital Insurance Limited. Notwithstanding the foregoing, after the Closing Date, the RCHHC Entities shall not include RCHHC.

“RCHHC Entity Insurance Policies” is defined in Section 5.14(a).

“RCHHC Entity Intellectual Property Assets” is defined in Section 5.13.

“RCHHC Entity Title Reports” means those certain title reports prepared by Chicago Title Insurance Company having the following title numbers: (i) CTIC-23900141, (ii) CTIC-23900142, (iii) CTIC-23900143, (iv) CTIC-23900144, (v) CTIC-23900145, (vi) CTIC-23900146, (vii) CTIC-23900147 and (viii) CTIC-23900149.

“RCHHC Excepted Entities” is defined in Section 7.5(c)(vii).

“RCHHC Financial Statements” means the audited consolidated statement of financial position of the RCHHC Consolidated Group as of June 30, 2023, and the consolidated statements of operations of the RCHHC Consolidated Group for the year then ended; and the unaudited interim consolidated statement of financial position of the RCHHC Consolidated Group as of September 30, 2023, and the unaudited interim consolidated statements of operations of the RCHHC Consolidated Group for the period then ended.

“RCHHC Government Authorizations” is defined in Section 8.1(b).

“RCHHC Guaranteed Funding Amount” is defined in Section 14.1(b).

“RCHHC Healthcare Service” means any licensed or license-exempt healthcare service provided by any RCHHC Entity.

“RCHHC’s Knowledge” means the actual or constructive knowledge of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Administrative Officer or Chief Legal Officer of an RCHHC Entity after due inquiry.

“RCHHC Leased Real Property” is defined in Section 5.6(a).

“RCHHC Leases” is defined in Section 5.6(a).

“RCHHC Master Indenture” means that certain Amended and Restated Master Trust Indenture dated as May 1, 2021 by and among RCHHC, RCHSD, and Computershare Corporate Trust, as successor master trustee, as amended and supplemented from time to time.

“RCHHC Operations” means any and all operations conducted by any RCHHC Entity, including, without limitation, all RCHHC Healthcare Services.

“RCHHC Owned Real Property” is defined in Section 5.6(a).

“RCHHC Plan of Finance” is defined in Section 14.1(b).

“RCHHC Real Property” is defined in Section 5.6(a).

“RCHHC Schedules” is defined in the introductory language in Article V.

“RCHHC Subsidiary” means any entity that, directly or indirectly through one or more intermediaries, is Controlled by RCHHC. Without limiting the generality of the foregoing, “RCHHC Subsidiary” shall include those entities of which RCHHC is a corporate member and those entities in which RCHHC owns more than fifty-percent (50%) of the voting securities.

“RCHHC Tax-Exempt Bonds” is defined in Section 5.17(b).

“RCHSD” is defined in the Preamble to this Agreement.

“RCHSD Amended Articles” is defined in Section 4.2.

“RCHSD Amended Bylaws” is defined in Section 4.2.

“Received Phase 1 Philanthropy Dollars” is defined in Section 14.3.

“Receiving Party” is defined in Section 16.10(a).

“Related Person” of any Person means another Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

“SEC” is defined in Section 5.9(b).

“Section 5920” is defined in Section 7.1(a).

“Securities and Exchange Commission” is defined in Section 5.9(b).

“Security Breach” means any unauthorized and/or unlawful access to or acquisition, disclosure, destruction, loss, compromise, Processing, misuse, alteration or corruption of Personal Information.

“Software” means any (i) computer programs, including all software implementations of algorithms, models and methodologies, whether in source code or object code, (ii) technical databases and compilations, including all technical data and collections of data, whether machine readable or otherwise, including program files, data files, computer-related data, field and technical data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program

architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, (iii) descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (iv) all documentation including user manuals and other training documentation related to any of the foregoing, and any improvements, updates, upgrades or derivative works of any of the foregoing.

“Special Session Committee” is defined in Section 14.4(b).

“State” means the State of California.

“System Conversion Costs” is defined in Section 14.2.

“Tax” means (a) (i) any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental (under Section 59A of the Code), customs, duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee, service, ad valorem, profits, capital, premium, production, consumption, commercial rent, capital gains, business privilege, recording, inventory, merchandise, intangibles, transaction, title, business, deduction at source or other withholding (including withholding liability as a representative taxpayer), or other tax, (ii) any impost, fee, levy, charge, or assessment, in each case, in the nature of taxes, (iii) any liability under unclaimed property, escheat or any similar Law, and (iv) any interest, penalties or additions in respect of the foregoing (whether disputed or not) or in respect to failure to comply with any requirement with respect to Tax Returns and (b) any liability for the payment of any amounts of the type described in clause (a) as a result of any Contract to pay or assume any such amounts or to indemnify any other Person for such amounts, any transferee or successor liability, the operation of Law (including pursuant to Treasury Regulations Section 1.1502-6 or any similar provision of state, local or foreign Law) or otherwise.

“Tax Return” means any return, declaration, report, claim for refund, information return or statement, including schedules and attachments thereto and amendments, relating to Taxes.

“Transaction Documents” means each of the other documents, certificates and instruments to be delivered under this Agreement.

“Transition Period” is defined in Section 14.4(a).

“Union” means a labor union or other employee representative body.

1.2 Rules of Interpretation.

(a) In this Agreement and its schedules and exhibits: “Include” and its permutations will be deemed to be followed by the words “without limitation.” In any determination of a period of time, “from” means “from and including” and “to” means “to but excluding.” Reference to a “copy” of any document means a copy that is complete and correct.

Reference to a list, or any like compilation, means that the list or compilation is complete and correct. Reference to a notice or report means a written notice or written report. Words denoting any gender will include all genders (including the neutral gender). References to the singular include references to the plural and vice versa. Where specific language is used to clarify by example a general statement, the specific language does not modify, limit or restrict in any manner the construction of the general statement to which it relates. All references to a day or days will be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided and whenever action is required on a day that is not a Business Day such action may be validly taken on the next Business Day. Reference to a contract is a reference to such contract as amended, restated, modified, supplemented or waived. References to a Section, Attachment, Schedule or Exhibit refers to such Section, Attachment, Schedule or Exhibit of this Agreement, unless otherwise specified. The terms “hereby,” “hereof,” “herein,” “hereinafter,” “hereunder” and derivative words refer to this entire Agreement, unless the context otherwise requires. The contents of the Attachments, Schedules and Exhibits are an integral part of this Agreement and reference to “this Agreement” includes the Attachments, Schedules and Exhibits. If a Party or its representative transmits a document to the other Party and such document is accessible to the other Party, such document will be deemed to have been “delivered,” “furnished” or “made available” (or any phrase of similar import) to the other Party and its representatives. The headings and captions used in this Agreement, the table of contents to this Agreement and descriptions of the Schedules are for convenience of reference only and do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement.

(b) Disclosure of any fact or item in the Disclosure Schedules will not necessarily mean that such item or fact, individually or in the aggregate, is material or adverse to the business, results of operations or financial condition of the Party, or that such item or fact has had or is expected to have a Material Adverse Change or that such item or fact is required to be disclosed pursuant to this Agreement.

Article II

MERGER OF CHC AND RCHHC

2.1 Merger. On the terms and subject to the conditions of this Agreement, and in accordance with the General Corporation Law of the State of California (the “CGCL”), at the Closing, effective as of the Effective Time, CHC shall be merged with and into RCHHC (the “Merger”). Following the Merger, the separate corporate existence of CHC shall cease, and RCHHC shall continue as the surviving corporation of the Merger. To effectuate the Merger, at the Closing, effective as of the Effective Time, CHC and RCHHC shall enter into the Merger Agreement attached hereto as Attachment 2.1(a) (the “Merger Agreement”). At the Closing, CHC and RCHHC shall file the Merger Agreement with the Secretary of the State of California, executed in accordance with the relevant provisions of the CGCL.

Article III

CHC SUBSIDIARY ORGANIZATIONAL DOCUMENTS

3.1 CHOC Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, CHOC shall (a) cause the amendment of its articles of incorporation in the form attached hereto as Attachment 3.1(a) (the “CHOC Amended Articles”) to be filed with the California Secretary of State and (b) cause the amendment of its bylaws in the form attached hereto as Attachment 3.1(b) (the “CHOC Amended Bylaws”) to provide that RCHHC is the sole member (as defined in Section 5056(a) of the California Corporations Code) of CHOC.

3.2 CHOC at Mission Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, CHOC at Mission shall (a) cause the amendment of its articles of incorporation in the form attached hereto as Attachment 3.2(a) (the “CHOC at Mission Amended Articles”) to be filed with the California Secretary of State, and (b) cause the amendment of its bylaws in the form attached hereto as Attachment 3.2(b) (the “CHOC at Mission Amended Bylaws”) to provide that RCHHC is the sole member of CHOC at Mission.

3.3 CHOC Foundation Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, CHOC Foundation shall (a) cause the amendment of its articles of incorporation (the “CHOC Foundation Amended Articles”) to be filed with the California Secretary of State, and (b) cause the amendment of its bylaws (the “CHOC Foundation Amended Bylaws”) to provide that RCHHC is the sole member of CHOC Foundation.

3.4 CRC Real Estate Corporation Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, CRC Real Estate Corporation shall (a) cause the amendment of its articles of incorporation (the “CRC Real Estate Corporation Amended Articles”) to be filed with the California Secretary of State, and (b) cause the amendment of its bylaws (the “CRC Real Estate Corporation Amended Bylaws”) to provide that RCHHC is the sole member of CRC Real Estate Corporation.

3.5 Children’s Health Plan of California Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Children’s Health Plan of California shall (a) cause the amendment of its articles of incorporation (the “Children’s Health Plan of California Amended Articles”) to be filed with the California Secretary of State, and (b) cause the amendment of its bylaws (the “Children’s Health Plan of California Amended Bylaws”) to provide that RCHHC is the sole member of Children’s Health Plan of California.

Article IV

RCHHC SUBSIDIARY ORGANIZATIONAL DOCUMENTS

4.1 RCHHC Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, RCHHC shall: (a) cause the amendment of its articles of incorporation in the form attached hereto as Attachment 4.1(a) (the “Parent Amended Articles”) to be filed with the California Secretary of State, which Parent Amended Articles shall, among other things, change the legal and operating name of RCHHC to “Rady Children’s Health” (the “New Parent Name”), and (b) cause the amendment of its bylaws in the form attached hereto as Attachment 4.1(b) (the “Parent Amended Bylaws”).

4.2 RCHSD Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, RCHSD shall: (a) cause the amendment of its articles of incorporation in the form attached hereto as Attachment 4.2(a) (the “RCHSD Amended Articles”) to be filed with the California Secretary of State and (b) cause the amendment of its bylaws in the form attached hereto as Attachment 4.2(b) (the “RCHSD Amended Bylaws”).

4.3 Rady Children’s Hospital Foundation – San Diego Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Rady Children’s Hospital Foundation – San Diego shall: (a) cause the amendment of its articles of incorporation (the “Rady Children’s Hospital Foundation – San Diego Amended Articles”) to be filed with the California Secretary of State and (b) cause the amendment of its bylaws (the “Rady Children’s Hospital Foundation – San Diego Amended Bylaws”).

4.4 Rady Children’s Hospital Research Center Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Rady Children’s Hospital Research Center shall: (a) cause the amendment of its articles of incorporation (the “Rady Children’s Hospital Research Center Amended Articles”) to be filed with the California Secretary of State and (b) cause the amendment of its bylaws (the “Rady Children’s Hospital Research Center Amended Bylaws”).

4.5 Rady Children’s Health Services – San Diego Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Rady Children’s Health Services – San Diego shall: (a) cause the amendment of its articles of incorporation (the “Rady Children’s Health Services – San Diego Amended Articles”) to be filed with the California Secretary of State and (b) cause the amendment of its bylaws (the “Rady Children’s Health Services – San Diego Amended Bylaws”).

4.6 Rady Children’s Physician Management Services, Inc. Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Rady Children’s Physician Management Services, Inc. shall: (a) cause the amendment of its articles of incorporation (the “Rady Children’s Physician Management Services, Inc. Amended Articles”) to be filed with the California Secretary of State

and (b) cause the amendment of its bylaws (the “Rady Children’s Physician Management Services, Inc. Amended Bylaws”).

4.7 Children’s Hospital Integrated Risk Protected Limited Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Children’s Hospital Integrated Risk Protected Limited shall: (a) cause the amendment of its articles of incorporation (the “Children’s Hospital Integrated Risk Protected Limited Amended Articles”) to be filed with the Bermuda Registrar of Companies and (b) cause the amendment of its bylaws (the “Children’s Hospital Integrated Risk Protected Limited Amended Bylaws”).

4.8 Children’s Hospital Insurance Limited Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Children’s Hospital Insurance Limited shall: (a) cause the amendment of its articles of incorporation (the “Children’s Hospital Insurance Limited Amended Articles”) to be filed with the Bermuda Registrar of Companies and (b) cause the amendment of its bylaws (the “Children’s Hospital Insurance Limited Amended Bylaws”).

4.9 Children’s Health Plan of California Organizational Documents. On the terms and subject to the conditions of this Agreement, at the Closing, effective as of the Effective Time, Children’s Health Plan of California shall (a) cause the Children’s Health Plan of California Amended Articles to be filed with the California Secretary of State, and (b) cause the adoption of the Children’s Health Plan of California Amended Bylaws.

Article V

REPRESENTATIONS AND WARRANTIES OF RCHHC

Except as otherwise set forth on the schedules prepared by RCHHC, dated as of the Execution Date and updated pursuant to Section 7.2 (collectively, “RCHHC Schedules”), RCHHC represents and warrants to CHC, CHOC and CHOC at Mission as of the Execution Date, as follows:

5.1 Organization, Power, Absence of Conflicts.

(a) Organization and Good Standing of RCHHC. RCHHC and the RCHHC Entities are each duly incorporated or organized, validly existing and in good standing under the Laws of the State, and in the case of Children’s Hospital Integrated Risk Protected Limited under the Laws of Bermuda, and have all requisite corporate power and authority to carry on their business in the State, and in the case of Children’s Hospital Integrated Risk Protected Limited, in Bermuda, as now conducted, and to own or lease and operate the RCHHC Assets now owned or leased and operated by each respective RCHHC Entity. Except as set forth on Schedule 5.1(a), RCHHC and the RCHHC Entities are not licensed, qualified or admitted to do business in any jurisdiction other than the State, and in the case of Children’s Hospital Integrated Risk Protected Limited, other than the State and Bermuda, in which they were respectively incorporated, and to RCHHC’s Knowledge, there is no other jurisdiction in which the ownership, use or leasing of

any RCHHC Assets, or the conduct or nature of the RCHHC Operations, makes such licensing, qualification or admission necessary.

(b) Authority; No Conflict; Required Filings and Consents.

(i) RCHHC and RCHSD have all requisite corporate power and authority to execute, deliver and enter into this Agreement, to consummate the Affiliation and to perform their obligations hereunder. The execution and delivery of this Agreement, and the consummation of the Affiliation, have been duly authorized by all necessary corporate action on the part of RCHHC and RCHSD, as required by Law. No other corporate proceeding on the part of RCHHC or RCHSD is necessary to authorize this Agreement and the Affiliation. This Agreement has been duly executed and delivered by RCHHC and RCHSD and (assuming that this Agreement constitutes the valid and binding agreement of the other Parties) is a legal, valid and binding obligation of RCHHC and RCHSD, enforceable against RCHHC and RCHSD in accordance with its terms, except to the extent of the Enforceability Exceptions.

(ii) Following receipt of the consents, approvals and/or waivers contemplated in Section 7.1(c), the execution and delivery by RCHHC and RCHSD of this Agreement does not, and the consummation of the Affiliation does not, (A) result in any material breach or contravention of, or permit the acceleration of the maturity of, any material Encumbrances of any RCHHC Entity, (B) result in the creation of any material Encumbrances on the RCHHC Assets (other than Encumbrances created pursuant to the terms of this Agreement and the other agreements and documents executed in connection with the consummation of the Affiliation), (C) conflict with, or result in any violation or breach of any provision of the Governing Documents of any RCHHC Entity, or (D) conflict with or result in a breach of, or give rise to a right of termination or amendment of or loss of benefit under, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material Contract or constitute a default thereunder for any RCHHC Entity; except, in the case of clauses (A), (B), (C) and (D) above, for any matter which is not, individually or in the aggregate, reasonably expected to constitute a Material Adverse Change of the RCHHC Entities.

(c) Organization and Good Standing of RCHHC Subsidiaries. Each RCHHC Subsidiary is a corporation duly incorporated or formed, validly existing and in good standing under the Laws of the State and has all requisite corporate power and authority to carry on its respective business in the State and to own or lease and operate the RCHHC Assets now owned or leased and operated by it. No RCHHC Subsidiary is licensed, qualified or admitted to do business in any jurisdiction other than the State, and there is no other jurisdiction in which the ownership, use or leasing of RCHHC Assets, or the conduct or nature of the RCHHC Operations, makes such licensing, qualification or admission necessary.

5.2 Third-Party Rights. Except for this Agreement or as set forth on Schedule 5.2, there are no Contracts (including Letters of Intent) with, or rights of, any Person to acquire, directly or indirectly, any material RCHHC Assets, or any interest therein.

5.3 Legal Compliance.

(a) To RCHHC's Knowledge, no RCHHC Entity is or, during the Lookback Period, has been in material violation of any Laws. To RCHHC's Knowledge, during the Lookback Period, each RCHHC Entity has timely filed all reports, data and other information required to be filed with Governmental Entities. To RCHHC's Knowledge, during the Lookback Period, no RCHHC Entity has received written notice of any proceeding or investigation by Governmental Entities against the RCHHC Entity alleging or based upon a material violation of any Laws that is currently pending. To RCHHC's Knowledge, no RCHHC Entity has been threatened by any Person with any proceeding or investigation by Governmental Entities against the RCHHC Entity alleging a violation of any Laws with respect to the RCHHC Operations.

(b) Except as set forth in Schedule 5.3(b), to RCHHC's Knowledge, (i) each RCHHC Entity has (x) developed a compliance plan for being in compliance with the Health Information Laws, and (y) used commercially reasonable efforts to implement those provisions of such compliance plan in all respects necessary to ensure that the applicable RCHHC Operations are not in violation of the Health Information Laws; (ii) no RCHHC Entity has received written notices or complaints, and no claims (whether by a Governmental Entity or Person) are pending or threatened against any RCHHC Entity, alleging any material violation of Health Information Laws; and (iii) during the Lookback Period, there have been no material Security Breaches of any of the IT Systems of any RCHHC Entity or of any RCHHC Entity's vendor that Processes Personal Information on behalf of such RCHHC Entity, requiring written notification to any Person or Governmental Entity.

(c) Each RCHHC Entity and each RCHHC Healthcare Service meets all requirements of participation, claims submission and payment of the Government Payment Programs and, to RCHHC's Knowledge, other third-party payment programs and is a party to valid participation agreements for payment by such Government Payment Programs and, to RCHHC's Knowledge, other third-party payment programs, as applicable. No RCHHC Entity nor, to RCHHC's Knowledge, any of their respective officers, directors, employees, agents or contractors is currently excluded from participation in any Government Payment Program.

(d) Each RCHHC Entity and RCHHC Healthcare Service, as applicable, is qualified for participation in and has current and valid provider Contracts with, the Government Payment Programs and/or their fiscal intermediaries or paying agents and is not in material violation of the conditions of participation therein. To RCHHC's Knowledge, there are no material Government Payment Program recoupments or material recoupments of any third-party payor being sought, requested, claimed, or threatened against any RCHHC Entity. To RCHHC's Knowledge, (i) there is no Action or investigation pending, received or threatened against any RCHHC Entity which relates in any way to a violation of any Law pertaining to the Government Payment Programs or which is reasonably expected to result in the imposition of material penalties on or the exclusion of any RCHHC Entity or any RCHHC Healthcare Service from participation in any Government Payment Programs, and (ii) no RCHHC Entity is engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Government Payment Program. No RCHHC Entity is a party to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees,

settlement orders, plans of correction or similar agreements imposed by any Governmental Entity.

(e) No RCHHC Entity, as applicable, is in material violation of any Laws regarding the selection, deselection, and credentialing of contracted providers, including verification of licensing status and eligibility for reimbursement under the Government Payment Programs. Each RCHHC Entity's contracted providers are properly licensed and hold appropriate clinical privileges, as applicable, for the services which they provide, and, with respect to providers that perform services eligible for reimbursement under any Government Payment Program, are not debarred or excluded from any such Government Payment Program.

(f) During the Lookback Period all material reports, data, and information required to be filed by any RCHHC Entity in connection with any Government Payment Program have been timely filed and were true and complete at the time filed (or were corrected in or supplemented by a subsequent filing). Except as set forth in Schedule 5.3(f), there are no Actions or appeals pending (and no RCHHC Entity has made any filing or submission that, to RCHHC's Knowledge, is reasonably expected to result in any Actions or appeals) before any court, regulatory body, administrative agency, governmental body, arbitrator or other Governmental Entity (including governmental administrative contractors) with respect to any Government Payment Program reports or claims filed by any RCHHC Entity during the Lookback Period or with respect to any disallowances by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any audit taking place during the Lookback Period. No material validation review or program integrity review related to any RCHHC Entity or any RCHHC Healthcare Service has been conducted by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any Government Payment Program within the past five (5) years and, to RCHHC's Knowledge, no such reviews are scheduled, pending, or threatened against or affecting any RCHHC Entity or any RCHHC Healthcare Service.

(g) Each RCHHC Entity holds all Licenses set forth on Schedule 5.3(g) that are necessary for its respective part of the RCHHC Operations. All such Licenses are in good standing and, to RCHHC's Knowledge, are not subject to meritorious challenge. To RCHHC's Knowledge, the RCHHC Operations and RCHHC Healthcare Services are not in material violation of such Licenses.

(h) During the Lookback Period, (i) any and all clinical research activities carried out by or on behalf of any RCHHC Entity (regardless of whether such RCHHC Entity is the regulatory sponsor of such clinical research) have been and are being conducted in material compliance with all applicable study protocols and Laws; (ii) no RCHHC Entity has received any notice, correspondence, or other communication from any Governmental Entity, Institutional Review Board, or clinical investigator alleging a lack of material compliance by RCHHC Entity with any Laws or requiring the termination, suspension, or material modification of any ongoing clinical research carried out by or on behalf of such RCHHC Entity, in each case regardless of whether such RCHHC Entity is the regulatory sponsor of such research; and (iii) no researchers carrying out clinical research on behalf of any RCHHC Entity have been under inquiry or

investigation for, or been found to have committed, research misconduct (*i.e.*, falsification or fabrication of data, or plagiarism) under applicable Law.

5.4 RCHHC Financial Statements. Copies of the RCHHC Financial Statements have been made available to CHC. The RCHHC Financial Statements fairly present in all material respects the financial condition and results of operations of the RCHHC Operations as of the respective dates thereof and for the period therein referred to, subject to normal recurring year-end adjustments and the absence of notes; and the RCHHC Financial Statements reflect the consistent application of GAAP throughout the periods involved.

5.5 Absence of Material Change. Since the date of the last RCHHC Financial Statements, to RCHHC's Knowledge, there has not been any event, change, occurrence or circumstance that has had or is reasonably expected to have a Material Adverse Change of the RCHHC Entities.

5.6 Real Property.

(a) Schedule 5.6(a) sets forth the address of each parcel of real property owned by the RCHHC Entities ("RCHHC Owned Real Property") or leased, subleased, licensed or otherwise occupied by the RCHHC Entities ("RCHHC Leased Real Property", and together with the RCHHC Owned Real Property, the "RCHHC Real Property"), and a list of all leases, subleases, Licenses, and other occupancy agreements, including all leases, amendments, extensions, supplements, waivers, letter agreements and renewals thereof (collectively, the "RCHHC Leases") for such RCHHC Leased Real Property. A copy of each of the RCHHC Leases has been made available to CHC. The RCHHC Real Property comprises all of the real property owned or leased by the RCHHC Entities.

(b) Except as set forth on Schedule 5.6(b) or the RCHHC Entity Title Reports, to RCHHC's Knowledge, no RCHHC Entity has received from any Governmental Entity any written notice of condemnation relating to the RCHHC Real Property or any part thereof; nor to RCHHC's Knowledge, is there any other material Action threatened in writing against or affecting the RCHHC Owned Real Property or any portion thereof, or relating to or arising out of the ownership, operation, management, use or maintenance of the RCHHC Owned Real Property.

(c) Except for those tenants in possession of the RCHHC Real Property under Contracts or on a month-to-month basis, to RCHHC's Knowledge there are no Persons in possession of, or claiming any possession, adverse or not, to or other interest in, any portion of the RCHHC Real Property other than a RCHHC Entity, whether as lessees, tenants at sufferance, trespassers or otherwise. To RCHHC's Knowledge, during the Lookback Period no RCHHC Entity has received any written notice of any material default or breach on the part of the landlord under any lease of RCHHC Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord. None of the RCHHC Entities (or to RCHHC's Knowledge, any other party) are in material breach or default under any of the RCHHC Leases. All of the RCHHC Leases are valid and binding obligations of the applicable RCHHC Entity, and are in full force and effect, and are enforceable against the applicable

RCHHC Entity, and, to RCHHC's Knowledge, the other parties thereto, in accordance with their terms.

(d) Schedule 5.6(d) identifies all those construction or capital projects currently in progress with respect to the RCHHC Real Property for which all final approvals needed from Governmental Entities have not been obtained, excluding Licenses required to operate the applicable RCHHC Real Property.

(e) Except as set forth on Schedule 5.6(e), the RCHHC Leases or the RCHHC Entity Title Reports, there are no rights of first refusal, rights of first offer, options to purchase, or any similar rights relating to the RCHHC Owned Real Property that are material to RCHHC's Operations.

5.7 Environmental Matters.

(a) To RCHHC's Knowledge and except as set forth in Schedule 5.7, (i) no RCHHC Entity is subject to any pending or threatened Action or any other material liability arising under any Environmental Laws and (ii) no circumstances exist, and for the three (3) year period prior to the Execution Date, no circumstances have existed, that were, or are reasonably expected to constitute a material violation of Environmental Laws by any RCHHC Entity. During the three (3) year period prior to the Execution Date, to RCHHC's Knowledge, no RCHHC Entity has received any written communication from any Person alleging that any RCHHC Entity is in violation of or subject to liability under Environmental Laws.

(b) Each RCHHC Entity maintains and is in material compliance with all Environmental Licenses required pursuant to Environmental Laws to conduct its operations as presently conducted.

(c) There has been no material Environmental Claim pending or, to RCHHC's Knowledge, threatened against any Person whose liability for any Environmental Claim has been retained or assumed either contractually or by operation of law by a RCHHC Entity.

(d) No RCHHC Entity, and to RCHHC's Knowledge, no other Person, has released Hazardous Materials on, into, or from the RCHHC Real Property or any other real property currently or formerly owned, leased or operated by an RCHHC Entity, in any case in a manner or to a degree that would reasonably be expected to result in material liability or material investigatory or remedial obligations under Environmental Laws.

(e) RCHHC and RCHSD have made available to CHC, CHOC, and CHOC at Mission copies of all material environmental reports, audits, and investigations reasonably in RCHHC's possession or Control and relating to the environmental condition of the RCHHC Real Property or to the compliance of any RCHHC Entity with Environmental Laws.

5.8 Employment Matters.

(a) Employee Relations.

(i) Except as set forth on Schedule 5.8(a), no employees of any RCHHC Entity are represented by a Union, or, to RCHHC's Knowledge, are demanding recognition of a Union with respect to their work at the RCHHC Operations, and no such demand for recognition has been made by a Union with respect to RCHHC employees during the Lookback Period.

(ii) There is no pending or, to RCHHC's Knowledge, threatened employee strike, work stoppage or slowdown, labor dispute or unfair labor practices in connection with the RCHHC Operations.

(iii) To RCHHC's Knowledge, RCHHC is not and during the Lookback Period has not been in material violation of any material obligations under any Plant Closure Laws as a result of the RCHHC Operations.

(b) Pending Proceedings. Except as set forth on Schedule 5.8(b), there are no active, pending or, to RCHHC's Knowledge, threatened material administrative or judicial proceedings under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the National Labor Relations Act, the Fair Employment and Housing Act, the California Labor Code, ERISA or any other foreign, federal, state or local Law (including common law), ordinance or regulation relating to current employees or contingent workers, or former employees or contingent workers, of any RCHHC Entity. Except as otherwise disclosed to CHC, no employee or independent contractor of any RCHHC Entity is entitled to receive any compensation, payment, or remuneration from any Party as a result of the execution and delivery of this Agreement or the occurrence of the Closing.

5.9 Employee Benefit Plans.

(a) Schedule 5.9(a) sets forth a list of the RCHHC Employee Benefit Programs.

(b) Each RCHHC Employee Benefit Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS regarding its qualification thereunder, and to RCHHC's Knowledge no event has occurred during the Lookback Period and no condition exists that is reasonably expected to result in the loss of such tax-qualified status or the imposition of any material liability, penalty or Tax under ERISA, the Code or any other Laws. Except as set forth on Schedule 5.9(b), to RCHHC's Knowledge, with respect to each RCHHC Employee Benefit Program, all material reports, returns, notices, and other documentation that are required to have been filed with or furnished by RCHHC to the IRS, the United States Department of Labor (the "DOL"), the Pension Benefit Guaranty Corporation (the "PBGC"), the Securities and Exchange Commission (the "SEC") or any other Governmental Entity, or to the participants or beneficiaries of such RCHHC Employee Benefit Program, during the Lookback Period have been filed or furnished on a timely basis.

(c) With respect to each RCHHC Employee Benefit Program, RCHHC has made available to CHC (if applicable to such RCHHC Employee Benefit Program): (i) all

documents embodying or governing such RCHHC Employee Benefit Program, including summary plan descriptions, and any funding medium for such RCHHC Employee Benefit Program (including plan documents, trust agreements and amendments thereto); (ii) the most recent IRS determination or opinion letter with respect to such RCHHC Employee Benefit Program under Code Section 401(a) or 403(b); (iii) Form 5500 annual reports for the last three (3) plan years for all RCHHC Employee Benefit Programs that require such filings; and (iv) any insurance policy related to such RCHHC Employee Benefit Program.

(d) Except as set forth on Schedule 5.9(d), each RCHHC Employee Benefit Program has been established, operated, and administered in all material respects in accordance with the requirements of Law, including ERISA and the Code, and is being administered and operated in all material respects in accordance with its terms, and is being administered in a manner that avoids the imposition of material penalties imposed by Law, including penalty Taxes. Except as set forth on Schedule 5.9(d), no RCHHC Employee Benefit Program is subject to Title IV of ERISA or is a Multiemployer Plan, within the meaning of ERISA Section 3(37) and no RCHHC Entity or any ERISA Affiliate has within the past six (6) years sponsored, maintained, contributed to or had any liability in respect to any employee benefit plan subject to Title IV of ERISA or any Multiemployer Plan.

(e) Neither any RCHHC Employee Benefit Program fiduciary nor any RCHHC Employee Benefit Program has engaged in any transaction in violation of Section 406 of ERISA or any “prohibited transaction” (as defined in Section 4975(c)(1) of the Code), which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA and which is reasonably expected to result in material liability to RCHHC under ERISA or the Code. To RCHHC’s Knowledge, no RCHHC Entity or ERISA Affiliate or any Person appointed or otherwise designated to act on behalf of such RCHHC Entity or such ERISA Affiliate, has engaged in any transaction in connection with any RCHHC Employee Benefit Program that is reasonably expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, material damages pursuant to Section 409 of ERISA or a material Tax pursuant to Section 4975(a) of the Code.

(f) To RCHHC’s Knowledge, no administrative investigation, audit or other administrative proceeding by the DOL, the PBGC, the IRS or any other Governmental Entity is pending, with respect to any RCHHC Employee Benefit Program. There is no pending, or to RCHHC’s Knowledge, threatened, material legal Action, proceeding, or investigation, other than routine claims for benefits, concerning any of the RCHHC Employee Benefit Programs.

(g) No Employee Welfare Benefit Plan which is a group health plan (within the meaning of Section 5000(b)(1) of the Code) is in material violation of the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. As presently constituted, no RCHHC Employee Benefit Program provides for health or welfare benefits (other than as required pursuant to Section 4980B of the Code or pursuant to State health continuation laws) to any current or future retiree or former employee beyond the month of termination. No RCHHC Entity is in material violation of requirements to report to the IRS under the Affordable Care Act, and the IRS has not imposed any material penalties or assessments as a result of such reporting obligations, during the Lookback Period.

(h) The execution and delivery of this Agreement and the consummation of the Affiliation do not result in (A) any increase in severance pay otherwise due upon any termination of employment after the Execution Date; (B) the acceleration of the time of payment or vesting or result in any funding of compensation or benefits; (C) any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any current or former employee of any RCHHC Entity; (D) any new obligation pursuant to any RCHHC Employee Benefit Program; (E) payment of compensation that results in an “excess parachute payment” within the meaning of Section 280G of the Code; or (F) any limitation or restriction on the right of any RCHHC Entity to merge, amend or terminate any RCHHC Employee Benefit Program.

(i) No RCHHC Employee Benefit Program that is a “nonqualified deferred compensation plan” (as defined under Section 409A of the Code) has been operated and administered in material violation of Section 409A of the Code, and no compensation is includable in the gross income of any current or former employee, officer, director or consultant of any RCHHC Entity or any ERISA Affiliate as a result of the operation of Section 409A of the Code with respect to any applicable arrangements or agreements in effect prior to the Closing. No agreements to provide Code Section 409A gross-ups are in place with respect to any employee or director of a RCHHC Entity.

5.10 Litigation. Except as set forth on Schedule 5.10, there are no material Actions pending or, to RCHHC’s Knowledge, threatened in writing against any RCHHC Entity or, to RCHHC’s Knowledge, with respect to any RCHHC Assets. To RCHHC’s Knowledge, there are no material investigations pending or threatened in writing against any RCHHC Entity. There is no pending or threatened in writing, material litigation, arbitration or other proceeding involving any RCHHC Entity or, to RCHHC’s Knowledge, RCHHC Assets before any court, arbitrator or governmental, regulatory or administrative body or authority.

5.11 Tax and Tax Exempt Status.

(a) RCHHC, RCHSD, Rady Children’s Hospital Foundation – San Diego, Rady Children’s Health Services – San Diego, and Rady Children’s Hospital Research Center dba Rady Children’s Institute for Genomic Medicine are recognized as exempt from federal income taxation under Code Section 501(a) as organizations described in Code Section 501(c)(3), and are also recognized as exempt from State income taxation.

(b) Each RCHHC Entity has filed or caused to be filed, on a timely basis, all Tax Returns that were required to be filed during the Lookback Period by such RCHHC Entity in accordance with applicable Law. All such Tax Returns are true, correct and complete in all material respects. Each RCHHC Entity has paid or made provision for all Taxes due and payable by such RCHHC Entity (whether or not shown on any Tax Return).

(c) There are no audits or administrative or judicial Tax Actions that are being conducted with respect to a RCHHC Entity, and during the Lookback Period no RCHHC Entity has received any written notices from any Governmental Entity that any such Tax Action is currently pending.

(d) There exists no outstanding notice of deficiency or proposed Tax assessment against a RCHHC Entity.

(e) All Taxes that a RCHHC Entity was required by applicable Law to withhold or collect during the Lookback Period have been duly withheld or collected and, to the extent required by applicable Law, have been paid to the proper Governmental Entity.

(f) No RCHHC Entity is a party to any Tax allocation, sharing, indemnity, or reimbursement agreement or arrangement that is primarily related to Taxes, and no RCHHC Entity is liable for the Taxes of any other Person as a transferee or successor.

(g) Except as disclosed to CHC and except as set forth in the RCHHC Capital Plan or accounted for in the RCHHC Long Range Financial Plan made available to CHC, no RCHHC Entity holds restricted gifts which require funds of the entity to be spent in excess of Five Million Dollars (\$5,000,000) or any actions to be taken outside the Ordinary Course of Business as a condition to receipt of such fund.

5.12 Certain Affiliations.

(a) The Affiliation does not confer any personal financial benefit on any officer, director, employee, doctor, medical group or other entity affiliated with RCHHC or any family member of any such person as identified in California Corporations Code section 5227(b)(2).

(b) Except as set forth in Schedule 5.12(b), no officer, trustee or director of an RCHHC Entity (or any family member of such persons as identified in California Corporations Code section 5227(b)(2)) has any personal financial interest in any company, firm, partnership, or business entity (other than salary and directors/trustees' fees) currently doing business with an RCHHC Entity.

5.13 Intellectual Property. Each RCHHC Entity owns or has sufficient right to use all RCHHC Entity Intellectual Property Assets (as defined below) that are necessary for the operation of the business of such RCHHC Entity as it is currently conducted. For purposes of this Agreement, "RCHHC Entity Intellectual Property Assets" means, for each RCHHC Entity all rights, title, and interests in and to all intellectual property rights of every kind and nature however denominated, throughout the world, including: (i) the name of the RCHHC Entity, all fictional business names, trade names, registered and unregistered trademarks, service marks and applications for same; trade dress, and brands and the goodwill associated therewith; (ii) all patents and patent applications; (iii) all copyrights in both published works and unpublished works; (iv) all rights in mask works; (v) all know-how, trade secrets, confidential information, customer lists, Software, technical information, data, database rights, process technology, plans, drawings and blueprints and other intellectual property rights owned, used or licensed by the RCHHC Entity as licensee or licensor; and (vi) any registrations, applications or rights arising under Law or Contract relating to any of the foregoing.

5.14 Insurance.

(a) Schedule 5.14(a) includes a list of all insurance policies (including the policy type, carrier, retention, term and claim limits) to which a RCHHC Entity is a party and that provide coverage to a RCHHC Entity or the business of a RCHHC Entity, or any director, manager or officer of a RCHHC Entity (the “RCHHC Entity Insurance Policies”). All RCHHC Entity Insurance Policies: (i) are valid, outstanding, and enforceable, subject to the Enforceability Exceptions; (ii) are sufficient for compliance in all material respects with all applicable Contracts to which a RCHHC Entity is a party; and (iii) except for workers compensation insurance maintained by a RCHHC Entity, do not provide for any retrospective premium adjustment or other experienced-based liability on the part of a RCHHC Entity. The consummation of the Affiliation by RCHHC does not result in a default under any of the RCHHC Entity Insurance Policies.

(b) Except as set forth on Schedule 5.14(b), each RCHHC Entity has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each RCHHC Entity Insurance Policy to which the RCHHC Entity is a party or that provides coverage to the business of the RCHHC Entity or any officers, directors or managers thereof.

5.15 Operation of the RCHHC Operations. To RCHHC’s Knowledge, the RCHHC Assets constitute all assets, properties, goodwill and businesses necessary to conduct the RCHHC Operations, in the aggregate and with respect to each RCHHC Healthcare Service, in all material respects in the manner in which the RCHHC Operations are currently conducted.

5.16 Membership. RCHHC has no members (as defined in Section 5056 of the California Corporations Code).

5.17 Indebtedness.

(a) No uncured default or event of default has occurred, and no event that with the passage of time could result in a default has occurred, under any Contract to which any RCHHC Entity is a party relating to indebtedness for money borrowed, guaranty obligations, capitalized lease obligations, or any interest rate swap agreement.

(b) Schedule 5.17 sets forth all tax-exempt bond indebtedness issued for the benefit of any RCHHC Entity (the “RCHHC Tax-Exempt Bonds”). No applicable RCHHC Entity has taken any action, nor omitted to take any action, that would cause the interest on the RCHHC Tax-Exempt Bonds to be includable in the gross income of the owners thereof for federal income tax purposes.

5.18 Sufficiency of Assets. The assets of the RCHHC Entities will, as of the Closing, be sufficient to operate the business of the RCHHC Entities in the Ordinary Course in all material respects.

5.19 Insolvency. As of Closing, no RCHHC Entity shall (a) be in receivership or dissolution; (b) have made any assignment for the benefit of creditors; (c) have admitted in writing its inability to pay its debts as they mature; (d) have been adjudicated as bankrupt; (e) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or entered into an arrangement with creditors under federal bankruptcy law or any other similar

Law of the United States or any state, nor shall such petition seeking the same have been filed against any RCHHC Entity or (f) be subject to any insolvency proceeding of any kind.

5.20 No Material Information. None of the representations or warranties of the RCHHC Entities contained in this Article V, taking into account the Disclosure Schedules, contains any untrue statement of material fact or omit to state a material fact that is necessary to make each statement contained herein, not untrue, incomplete or misleading in any material respect.

Article VI

REPRESENTATIONS AND WARRANTIES OF CHC

Except as otherwise set forth on the schedules prepared by CHC, dated as of the Execution Date and updated pursuant to Section 7.2 (collectively, “CHC Schedules”), CHC represents and warrants to RCHHC and RCHSD as of the Execution Date, as follows:

6.1 Organization, Power, Absence of Conflicts.

(a) Organization and Good Standing of CHC. CHC and the CHC Entities are each duly incorporated or organized, validly existing and in good standing under the Laws of the State, and in the case of Orange County Medical Reciprocal Insurance Company under the Laws of Arizona, and have all requisite corporate power and authority to carry on their respective businesses in the State, and in the case of Orange County Medical Reciprocal Insurance Company in Arizona, as now conducted, and to own or lease and operate the CHC Assets now owned or leased and operated by each respective CHC Entity. Except as set forth on Schedule 6.1, CHC and the CHC Entities are not licensed, qualified or admitted to do business in any jurisdiction other than the State, and in the case of Orange County Medical Reciprocal Insurance Company other than the state of Arizona, in which they were respectively incorporated or organized, and to CHC’s Knowledge, there is no other jurisdiction in which the ownership, use or leasing of any CHC Assets, or the conduct or nature of the CHC Operations, makes such licensing, qualification or admission necessary.

(b) Authority; No Conflict; Required Filings and Consents.

(i) CHC, CHOC, and CHOC at Mission have all requisite corporate power and authority to execute, deliver and enter into this Agreement, to consummate the Affiliation and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the Affiliation, have been duly authorized by all necessary corporate action on the part of CHC, CHOC, or CHOC at Mission as required by Law. No other corporate proceeding on the part of CHC, CHOC, or CHOC at Mission is necessary to authorize this Agreement and the Affiliation. This Agreement has been duly executed and delivered by CHC, CHOC, and CHOC at Mission and (assuming that this Agreement constitutes the valid and binding agreement of the other Parties) is a legal, valid and binding obligation of CHC, CHOC, and CHOC at Mission, enforceable against CHC, CHOC, and CHOC at Mission in accordance with its terms, except to the extent of the Enforceability Exceptions.

(ii) Following receipt of the consents, approvals and/or waivers contemplated in Section 7.1(c), the execution and delivery by CHC, CHOC, and CHOC at Mission of this Agreement does not, and the consummation of the Affiliation does not, (A) result in any material breach or contravention of, or permit the acceleration of the maturity of, any material Encumbrances of any CHC Entity, (B) result in the creation of any material Encumbrances on the CHC Assets (other than Encumbrances created pursuant to the terms of this Agreement and the other agreements and documents executed in connection with the consummation of the Affiliation), (C) conflict with, or result in any violation or breach of any provision of the Governing Documents of any CHC Entity, or (D) conflict with or result in a breach of, or give rise to a right of termination or amendment of or loss of benefit under, or accelerate the performance required by the terms of any judgment, court order or consent decree, or any material Contract or constitute a default thereunder for any CHC Entity; except, in the case of clauses (A), (B), (C) and (D) above, for any matter which is not, individually or in the aggregate, reasonably expected to constitute a Material Adverse Change of the CHC Entities.

(c) Organization and Good Standing of CHC Subsidiaries. Each CHC Subsidiary is a corporation or limited liability company, as the case may be, duly incorporated or formed, validly existing and in good standing under the Laws of the State and has all requisite corporate or limited liability company power and authority to carry on its respective business in the State and to own or lease and operate the CHC Assets now owned or leased and operated by it. No CHC Subsidiary is licensed, qualified or admitted to do business in any jurisdiction other than the State, and there is no other jurisdiction in which the ownership, use or leasing of any CHC Assets, or the conduct or nature of the CHC Operations, makes such licensing, qualification or admission necessary.

6.2 Third-Party Rights. Except for this Agreement or as set forth on Schedule 6.2, there are no Contracts (including Letters of Intent) with, or rights of, any Person to acquire, directly or indirectly, any material CHC Assets, or any interest therein.

6.3 Legal Compliance.

(a) Except as set forth in Schedule 6.3(a), to CHC's Knowledge, no CHC Entity is or, during the Lookback Period, has been in material violation of any Laws. To CHC's Knowledge, during the Lookback Period, each CHC Entity has timely filed all reports, data and other information required to be filed with Governmental Entities. To CHC's Knowledge, during the Lookback Period, no CHC Entity has received written notice of any proceeding or investigation by Governmental Entities against the CHC Entity alleging or based upon a material violation of any Laws that is currently pending. To CHC's Knowledge, no CHC Entity has been threatened by any Person with any proceeding or investigation by Governmental Entities against the CHC Entity alleging a violation of any Laws with respect to the CHC Operations.

(b) Except as set forth in Schedule 6.3(b), to CHC's Knowledge, (i) each CHC Entity has (x) developed a compliance plan for being in compliance with the Health Information Laws, and (y) used commercially reasonable efforts to implement those provisions of such compliance plan in all respects necessary to ensure that the applicable CHC Operations are not in violation of the Health Information Laws; (ii) no CHC Entity has received written

notices or complaints, and no claims (whether by a Governmental Entity or Person) are pending or threatened against any CHC Entity, alleging any material violation of Health Information Laws; and (iii) during the Lookback Period, there have been no material Security Breaches of any of the IT Systems of any CHC Entity or of any CHC Entity's vendor that Processes Personal Information on behalf of such CHC Entity, requiring written notification to any Person or Governmental Entity.

(c) Each CHC Entity and each CHC Healthcare Service meets all requirements of participation, claims submission and payment of the Government Payment Programs and, to CHC's Knowledge, other third-party payment programs and is a party to valid participation agreements for payment by such Government Payment Programs and, to CHC's Knowledge, other third-party payment programs, as applicable. No CHC Entity nor, to CHC's Knowledge, any of their respective officers, directors, employees, agents or contractors is currently excluded from participation in any Government Payment Program.

(d) Except as set forth on Schedule 6.3(d), each CHC Entity and CHC Healthcare Service, as applicable, is qualified for participation in and has current and valid provider Contracts with, the Government Payment Programs and/or their fiscal intermediaries or paying agents and is not in material violation of the conditions of participation therein. To CHC's Knowledge, there are no material Government Payment Program recoupments or material recoupments of any third-party payor being sought, requested, claimed, or threatened against any CHC Entity. To CHC's Knowledge, (i) there is no Action or investigation pending, received or threatened against any CHC Entity which relates in any way to a violation of any Law pertaining to the Government Payment Programs or which is reasonably expected to result in the imposition of material penalties on or the exclusion of any CHC Entity or any CHC Healthcare Service from participation in any Government Payment Programs, and (ii) no CHC Entity is engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Government Payment Program. No CHC Entity is a party to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements imposed by any Governmental Entity.

(e) No CHC Entity, as applicable, is in material violation of any Laws regarding the selection, deselection, and credentialing of contracted providers, including verification of licensing status and eligibility for reimbursement under the Government Payment Programs. Each CHC Entity's contracted providers are properly licensed and hold appropriate clinical privileges, as applicable, for the services which they provide, and, with respect to providers that perform services eligible for reimbursement under any Government Payment Program, are not debarred or excluded from any such Government Payment Program.

(f) During the Lookback Period, all material reports, data, and information required to be filed by any CHC Entity in connection with any Government Payment Program have been timely filed and were true and complete at the time filed (or were corrected in or supplemented by a subsequent filing). Except as set forth in Schedule 6.3(f), there are no Actions or appeals pending (and no CHC Entity has made any filing or submission that, to CHC's Knowledge, is reasonably expected to result in any Actions or appeals) before any court,

regulatory body, administrative agency, governmental body, arbitrator or other Governmental Entity (including governmental administrative contractors) with respect to any Government Payment Program reports or claims filed by any CHC Entity during the Lookback Period or with respect to any disallowances by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any audit taking place during the Lookback Period. No material validation review or program integrity review related to any CHC Entity or any CHC Healthcare Service has been conducted by any regulatory body, administrative agency, governmental body or other authority (including governmental administrative contractors) in connection with any Government Payment Program within the past five (5) years and, to CHC's Knowledge, no such reviews are scheduled, pending, or threatened against or affecting any CHC Entity or any CHC Healthcare Service.

(g) Each CHC Entity holds all Licenses set forth on Schedule 6.3(g) that are necessary for its respective part of the CHC Operations. All such Licenses are in good standing and, to CHC's Knowledge, are not subject to meritorious challenge. To CHC's Knowledge, the CHC Operations and CHC Healthcare Services are not in material violation of such Licenses.

(h) During the Lookback Period, (i) any and all clinical research activities carried out by or on behalf of any CHC Entity (regardless of whether such CHC Entity is the regulatory sponsor of such clinical research) have been and are being conducted in material compliance with all applicable study protocols and Laws; (ii) no CHC Entity has received any notice, correspondence, or other communication from any Governmental Entity, Institutional Review Board, or clinical investigator alleging a lack of material compliance by such CHC Entity with any Laws or requiring the termination, suspension, or material modification of any ongoing clinical research carried out by or on behalf of such CHC Entity, in each case regardless of whether such CHC Entity is the regulatory sponsor of such research; and (iii) no researchers carrying out clinical research on behalf of any CHC Entity have been under inquiry or investigation for, or been found to have committed, research misconduct (i.e., falsification or fabrication of data, or plagiarism) under applicable Law.

6.4 CHC Financial Statements. Copies of the CHC Financial Statements have been made available to RCHHC. The CHC Financial Statements fairly present in all material respects the financial condition and results of operations of the CHC Operations as of the respective dates thereof and for the period therein referred to, subject to normal recurring year-end adjustments and the absence of notes; and the CHC Financial Statements reflect the consistent application of GAAP throughout the periods involved.

6.5 Absence of Material Change. Since the date of the last CHC Financial Statements, to CHC's Knowledge, there has not been any event, change, occurrence or circumstance that has had or is reasonably expected to have a Material Adverse Change of the CHC Entities.

6.6 Real Property.

(a) Schedule 6.6(a) sets forth the address of each parcel of real property owned by the CHC Entities ("CHC Owned Real Property") or leased, subleased, licensed or

otherwise occupied by the CHC Entities (“CHC Leased Real Property”, and together with the CHC Owned Real Property, the “CHC Real Property”), and a list of all leases, subleases, Licenses, and other occupancy agreements, including all leases, amendments, extensions, supplements, waivers, letter agreements and renewals thereof (collectively, the “CHC Leases”) for such CHC Leased Real Property. A copy of each of the CHC Leases has been made available to RCHHC. The CHC Real Property comprises all of the real property owned or leased by the CHC Entities.

(b) Except as set forth in Schedule 6.6(b) or the CHC Entity Title Reports, to CHC’s Knowledge, no CHC Entity has received from any Governmental Entity any written notice of condemnation relating to the CHC Real Property or any part thereof; nor to CHC’s Knowledge, is there any other material Action threatened in writing against or affecting the CHC Owned Real Property or any portion thereof, or relating to or arising out of the ownership, operation, management, use or maintenance of the CHC Owned Real Property.

(c) Except for those tenants in possession of the CHC Real Property under Contracts or on a month-to-month basis, to CHC’s Knowledge there are no Persons in possession of, or claiming any possession, adverse or not, to or other interest in, any portion of the CHC Real Property other than a CHC Entity, whether as lessees, tenants at sufferance, trespassers or otherwise. To CHC’s Knowledge, during the Lookback Period no CHC Entity has received any written notice of any material default or breach on the part of the landlord under any lease of CHC Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord. None of the CHC Entities (or to CHC’s Knowledge, any other party) are in material breach or default under any of the CHC Leases. All of the CHC Leases are valid and binding obligations of the applicable CHC Entity, and are in full force and effect, and are enforceable against the applicable CHC Entity, and, to CHC’s Knowledge, the other parties thereto, in accordance with their terms.

(d) Schedule 6.6(d) identifies all those construction or capital projects currently in progress with respect to the CHC Real Property for which all final approvals needed from Governmental Entities have not been obtained, excluding Licenses required to operate the applicable CHC Real Property.

(e) Except as set forth on Schedule 6.6(e), the CHC Leases or the CHC Entity Title Reports, there are no rights of first refusal, rights of first offer, options to purchase or lease, or any similar rights relating to the CHC Owned Real Property that are material to CHC’s Operations.

6.7 Environmental Matters.

(a) To CHC’s Knowledge, and except as set forth in Schedule 6.7, (i) no CHC Entity is subject to any pending or threatened Action or any other material liability arising under any Environmental Laws and (ii) no circumstances exist, and for the three (3) year period prior to the Execution Date, no circumstances have existed, that were, or are reasonably expected to constitute a material violation of Environmental Laws by any CHC Entity. During the three (3) year period prior to the Execution Date, to CHC’s Knowledge, no CHC Entity has received any

written communication from any Person alleging that any CHC Entity is in violation of or subject to liability under Environmental Laws.

(b) Each CHC Entity maintains and is in material compliance with all Environmental Licenses required pursuant to Environmental Laws to conduct its operations as presently conducted.

(c) There has been no material Environmental Claim pending or, to CHC's Knowledge, threatened against any Person whose liability for any Environmental Claim has been retained or assumed either contractually or by operation of law by a CHC Entity.

(d) No CHC Entity, and to CHC's Knowledge, no other Person, has released Hazardous Materials on, into, or from the CHC Real Property or any other real property currently or formerly owned, leased or operated by a CHC Entity, in any case in a manner or to a degree that would reasonably be expected to result in material liability or material investigatory or remedial obligations under Environmental Laws.

(e) CHC, CHOC, and CHOC at Mission have made available to RCHHC copies of all material environmental reports, audits and investigations reasonably within CHC, CHOC, or CHOC at Mission's Control or possession and relating to the environmental condition of the CHC Real Property or to the compliance of any CHC Entity with Environmental Laws.

6.8 Employment Matters.

(a) Employee Relations.

(i) Except as set forth on Schedule 6.8(a), no employees of any CHC Entity are represented by a Union, or, to CHC's Knowledge, are demanding recognition of a Union with respect to their work at the CHC Operations, and no such demand for recognition has been made by a Union with respect to CHC employees during the Lookback Period.

(ii) There is no pending or, to CHC's Knowledge, threatened employee strike, work stoppage, slowdown, Union organizing, labor dispute or claim of unfair labor practices in connection with the CHC Operations.

(iii) To CHC's Knowledge, CHC is not and during the Lookback Period has not been in material violation of any material obligations under any Plant Closure Laws as a result of the CHC Operations.

(b) Pending Proceedings. Except as set forth in Schedule 6.8(b), there are no active, pending or, to CHC's Knowledge, threatened material administrative or judicial proceedings under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the National Labor Relations Act, the Fair Employment and Housing Act, the California Labor Code, ERISA or any other foreign, federal, state or local Law (including common law), ordinance or regulation relating to current employees or contingent workers, or former employees or contingent workers, of any CHC Entity. Except as otherwise disclosed to

RCHHC, no employee or independent contractor of any CHC Entity is entitled to receive any compensation, payment, or remuneration from any Party as a result of the execution and delivery of this Agreement or the occurrence of the Closing.

6.9 Employee Benefit Plans.

(a) Schedule 6.9(a) sets forth a list of the CHC Employee Benefit Programs.

(b) Each CHC Employee Benefit Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS regarding its qualification thereunder, and to CHC's Knowledge no event has occurred during the Lookback Period and no condition exists that is reasonably expected to result in the loss of such tax-qualified status or the imposition of any material liability, penalty or Tax under ERISA, the Code or any other Laws. Except as set forth on Schedule 6.9(b), to CHC's Knowledge, with respect to each CHC Employee Benefit Program, all material reports, returns, notices, and other documentation that are required to have been filed with or furnished by CHC to the IRS, the DOL, the PBGC, the SEC or any other Governmental Entity, or to the participants or beneficiaries of such CHC Employee Benefit Program, during the Lookback Period have been filed or furnished on a timely basis.

(c) With respect to each CHC Employee Benefit Program, CHC has made available to RCHHC (if applicable to such CHC Employee Benefit Program): (i) all documents embodying or governing such CHC Employee Benefit Program, including summary plan descriptions, and any funding medium for such CHC Employee Benefit Program (including plan documents, trust agreements and amendments thereto); (ii) the most recent IRS determination or opinion letter with respect to such CHC Employee Benefit Program under Code Section 401(a) or 403(b); (iii) Form 5500 annual reports for the last three (3) plan years for all CHC Employee Benefit Programs that require such filings; and (iv) any insurance policy related to such CHC Employee Benefit Program.

(d) Except as set forth on Schedule 6.9(d), each CHC Employee Benefit Program has been established, operated, and administered in all material respects in accordance with the requirements of Law, including ERISA and the Code, and is being administered and operated in all material respects in accordance with its terms, and is being administrated in a manner that avoids the imposition of material penalties imposed by Law, including penalty Taxes. Except as set forth on Schedule 6.9(d), no CHC Employee Benefit Program is subject to Title IV of ERISA or is a Multiemployer Plan, within the meaning of ERISA Section 3(37) and no CHC Entity or any ERISA Affiliate has within the past six (6) years sponsored, maintained, contributed to or had any liability in respect to any employee benefit plan subject to Title IV of ERISA or any Multiemployer Plan.

(e) Neither any CHC Employee Benefit Program fiduciary nor any CHC Employee Benefit Program has engaged in any transaction in violation of Section 406 of ERISA or any "prohibited transaction" (as defined in Section 4975(c)(1) of the Code), which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA and which is reasonably expected to result in material liability to CHC under ERISA or the Code. To CHC's

Knowledge, no CHC Entity or ERISA Affiliate or any Person appointed or otherwise designated to act on behalf of such CHC Entity or such ERISA Affiliate, has engaged in any transaction in connection with any CHC Employee Benefit Program that is reasonably expected to result in the imposition of a material penalty pursuant to Section 502(i) of ERISA, material damages pursuant to Section 409 of ERISA or a material Tax pursuant to Section 4975(a) of the Code.

(f) To CHC's Knowledge, no administrative investigation, audit or other administrative proceeding by the DOL, the PBGC, the IRS or any other Governmental Entity is pending, with respect to any CHC Employee Benefit Program. There is no pending, or to CHC's Knowledge, threatened, material legal Action or investigation, other than routine claims for benefits, concerning any of the CHC Employee Benefit Programs.

(g) No Employee Welfare Benefit Plan which is a group health plan (within the meaning of Section 5000(b)(1) of the Code) is in material violation of the requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. As presently constituted, no CHC Employee Benefit Program provides for health or welfare benefits (other than as required pursuant to Section 4980B of the Code or pursuant to State health continuation laws) to any current or future retiree or former employee beyond the month of termination. No CHC Entity is in material violation of requirements to report to the IRS under the Affordable Care Act, and the IRS has not imposed any material penalties or assessments as a result of such reporting obligations, during the Lookback Period.

(h) The execution and delivery of this Agreement and the consummation of the Affiliation do not result in (A) any increase in severance pay otherwise due upon any termination of employment after the Execution Date; (B) the acceleration of the time of payment or vesting or result in any funding of compensation or benefits; (C) any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any current or former employee of any CHC Entity; (D) any new obligation pursuant to any CHC Employee Benefit Program; (E) payment of compensation that results in an "excess parachute payment" within the meaning of Section 280G of the Code; or (F) any limitation or restriction on the right of any CHC Entity to merge, amend or terminate any CHC Employee Benefit Program.

(i) No CHC Employee Benefit Program that is a "nonqualified deferred compensation plan" (as defined under Section 409A of the Code) has been operated and administered in material violation of Section 409A of the Code, and no compensation is includable in the gross income of any current or former employee, officer, director or consultant of any CHC Entity or any ERISA Affiliate as a result of the operation of Section 409A of the Code with respect to any applicable arrangements or agreements in effect prior to the Closing. No agreements to provide Code Section 409A gross-ups are in place with respect to any employee or director of a CHC Entity.

6.10 Litigation. Except as set forth on Schedule 6.10, there are no material Actions pending or, to CHC's Knowledge, threatened in writing against any CHC Entity or, to CHC's Knowledge, with respect to any CHC Assets. To CHC's Knowledge, there are no material investigations pending or threatened in writing against any CHC Entity. There is no pending or

threatened in writing, material litigation, arbitration or other proceeding involving any CHC Entity or, to CHC's Knowledge, CHC Assets before any court, arbitrator or governmental, regulatory or administrative body or authority.

6.11 Tax and Tax Exempt Status.

(a) CHC, CHOC, CHOC at Mission, CHOC Foundation, CRC Real Estate Corporation and Providence Speech and Hearing Center are recognized as exempt from federal income taxation under Code Section 501(a) as organizations described in Code Section 501(c)(3), and are also recognized as exempt from State income taxation.

(b) Each CHC Entity has filed or caused to be filed, on a timely basis, all Tax Returns that were required to be filed during the Lookback Period by such CHC Entity in accordance with applicable Law. All such Tax Returns are true, correct and complete in all material respects. Each CHC Entity has paid or made provision for all Taxes due and payable by such CHC Entity (whether or not shown on any Tax Return).

(c) There are no audits or administrative or judicial Tax Actions that are being conducted with respect to a CHC Entity, and during the Lookback Period no CHC Entity has received any written notices from any Governmental Entity that any such Tax Action is currently pending.

(d) There exists no outstanding notice of deficiency or proposed Tax assessment against a CHC Entity.

(e) All Taxes that a CHC Entity was required by applicable Law to withhold or collect during the Lookback Period have been duly withheld or collected and, to the extent required by applicable Law, have been paid to the proper Governmental Entity.

(f) No CHC Entity is a party to any Tax allocation, sharing, indemnity, or reimbursement agreement or arrangement that is primarily related to Taxes, and no CHC Entity is liable for the Taxes of any other Person as a transferee or successor.

(g) Except as disclosed to RCHHC and except as set forth in the CHC Capital Plan or accounted for in the CHC Long Range Financial Plan made available to RCHHC, no CHC Entity holds restricted gifts which require funds of the entity to be spent in excess of Five Million Dollars (\$5,000,000) or any actions to be taken outside the Ordinary Course of Business as a condition to receipt of such fund.

6.12 Certain Affiliations.

(a) The Affiliation does not confer any personal financial benefit on any officer, director, employee, doctor, medical group or other entity affiliated with CHC or any family member of any such person as identified in California Corporations Code section 5227(b)(2).

(b) Except as set forth in Schedule 6.12(b), no officer, trustee or director of a CHC Entity (or any family member of such persons as identified in California Corporations Code section 5227(b)(2)) has any personal financial interest in any company, firm, partnership, or business entity (other than salary and directors/trustees' fees) currently doing business with a CHC Entity.

6.13 Intellectual Property. Each CHC Entity owns or has sufficient right to use all CHC Entity Intellectual Property Assets (as defined below) that are necessary for the operation of the business of such CHC Entity as it is currently conducted. For purposes of this Agreement, "CHC Entity Intellectual Property Assets" means, for each CHC Entity all rights, title, and interests in and to all intellectual property rights of every kind and nature however denominated, throughout the world, including: (i) the name of the CHC Entity, all fictional business names, trade names, registered and unregistered trademarks, service marks and applications for same, trade dress, and brands and the goodwill associated therewith; (ii) all patents and patent applications; (iii) all copyrights in both published works and unpublished works; (iv) all rights in mask works; (v) all know-how, trade secrets, confidential information, customer lists, Software, technical information, data, database rights, process technology, plans, drawings and blueprints and other intellectual property rights owned, used or licensed by the CHC Entity as licensee or licensor; and (vi) any registrations, applications or rights arising under Law or Contract relating to any of the foregoing.

6.14 Insurance.

(a) Schedule 6.14(a) includes a list of all insurance policies (including the policy type, carrier, retention, term and claim limits) to which a CHC Entity is a party and that provide coverage to a CHC Entity or the business of a CHC Entity, or any director, manager or officer of a CHC Entity (the "CHC Entity Insurance Policies"). All CHC Entity Insurance Policies: (i) are valid, outstanding, and enforceable, subject to the Enforceability Exceptions; (ii) are sufficient for compliance in all material respects with all applicable Contracts to which a CHC Entity is a party; and (iii) except for workers compensation insurance maintained by a CHC Entity, do not provide for any retrospective premium adjustment or other experienced-based liability on the part of a CHC Entity. The consummation of the Affiliation by CHC does not result in a default under any of the CHC Entity Insurance Policies.

(b) Except as set forth on Schedule 6.14(b), each CHC Entity has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each CHC Entity Insurance Policy to which the CHC Entity is a party or that provides coverage to the business of the CHC Entity or any officers, directors or managers thereof.

6.15 Operation of the CHC Operations. To CHC's Knowledge, the CHC Assets constitute all assets, properties, goodwill and businesses necessary to conduct the CHC Operations, in the aggregate and with respect to each CHC Healthcare Service, in all material respects in the manner in which the CHC Operations are currently conducted.

6.16 Membership. CHC has no members (as defined in Section 5056 of the California Corporations Code).

6.17 Indebtedness.

(a) No uncured default or event of default has occurred, and no event that with the passage of time could result in a default has occurred, under any Contract to which any CHC Entity is a party relating to indebtedness for money borrowed, guaranty obligations, capitalized lease obligations, or any interest rate swap agreement.

(b) Schedule 6.17 sets forth all tax-exempt bond indebtedness issued for the benefit of any CHC Entity (the “CHC Tax-Exempt Bonds”). No applicable CHC Entity has taken any action, nor omitted to take any action, that would cause the interest on the CHC Tax-Exempt Bonds to be includable in the gross income of the owners thereof for federal income tax purposes.

6.18 Sufficiency of Assets. The assets of the CHC Entities will, as of the Closing, be sufficient to operate the business of CHC Entities in the Ordinary Course in all material respects.

6.19 Insolvency. As of Closing, no CHC Entity shall (a) be in receivership or dissolution; (b) have made any assignment for the benefit of creditors; (c) have admitted in writing its inability to pay its debts as they mature; (d) have been adjudicated as bankrupt; (e) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or entered into an arrangement with creditors under federal bankruptcy law or any other similar Law of the United States or any state, nor shall such petition seeking the same have been filed against any CHC Entity or (f) be subject to any insolvency proceeding of any kind.

6.20 No Material Information. None of the representations or warranties of the CHC Entities contained in this Article VI, taking into account the Disclosure Schedules, contains any untrue statement of material fact or omit to state a material fact that is necessary to make each statement contained herein, not untrue, incomplete or misleading in any material respect.

Article VII

PRE-CLOSING COVENANTS

7.1 Consents and Approvals. During the Interim Period, the Parties shall use their commercially reasonable efforts and cooperate with each other and provide all necessary information to obtain at the earliest practical date all consents, waivers and approvals from, and provide all notices to, all Governmental Entities and other Persons required to consummate the Affiliation as promptly as practicable. In furtherance of the foregoing:

(a) California Attorney General.

(i) As soon as reasonably practicable following the Execution Date, the Parties shall notify the California Attorney General (the “Attorney General”) in writing of the proposed Affiliation in accordance with Section 5920 of the California Corporations Code (“Section 5920”). The notice submitted to the Attorney General in accordance with Section 5920 shall be approved by each Party prior to its submission. Each Party shall provide such other information as the Attorney General shall reasonably request and shall use its

commercially reasonable efforts to obtain the Attorney General's approval of the Affiliation. Each Party shall provide copies of such information provided to, and communications with, the Attorney General to the other Party and shall otherwise cooperate with the other Party in obtaining the Attorney General's approval of the Affiliation.

(ii) Each Party shall be entitled to participate in conversations with personnel in the Office of the Attorney General in connection with the Affiliation. If the Attorney General challenges, objects to, prohibits, enjoins, places conditions upon or fails to provide any consent or approval required to complete the Affiliation, the Parties shall mutually agree on: (i) the acceptance of any conditions imposed on the transaction by the Attorney General, (ii) the decision to pursue any remedies a Party may have against the Attorney General, and/or (iii) the decision to contest or appeal the Attorney General's conditional approval, challenge, objection to, prohibition, enjoinder of, or failure to approve the transaction. If the Parties are unable to mutually agree on any of the preceding decisions (after following the Meet and Confer process set forth in Section 16.10(a)), either Party may terminate this Agreement as provided in Section 9.1(b)(i)(B). In the event the Parties agree to take any action with respect to the Attorney General as set forth in this Section 7.1(a)(ii), each Party shall bear its own costs and expenses pertaining thereto unless otherwise mutually agreed on by the Parties.

(iii) CHC and RCHHC shall split equally: (A) the filing fee for the notice submitted to the Attorney General for the Affiliation in accordance with Section 5920, and (B) any costs or expenses assessed by the Attorney General against any of the Parties in connection with the Attorney General's review or investigation of the Affiliation.

(b) HSR Act.

(i) To the extent required by Law, the Parties agree to file the appropriate Notification and Report Form pursuant to the HSR Act with respect to the Affiliation as soon as reasonably practicable after the Execution Date. After filing, the Parties agree to use commercially reasonable efforts to respond promptly to any requests for additional information by the U.S. Department of Justice Antitrust Division ("DOJ") or the Federal Trade Commission ("FTC") and keep the other promptly apprised of any communications with, and inquiries or requests for information from the DOJ or FTC. Each Party shall use commercially reasonable efforts to resolve without delay any objections the DOJ or FTC may have to the Affiliation, *provided, however*, that nothing in this Section 7.1 or otherwise in this Agreement shall require any Party or its respective affiliates or subsidiaries to offer, negotiate, commit to and effect, by consent decree, hold separate order, or otherwise, for the sale, divestiture, license or other disposition of any membership, equity or other voting interest, assets (whether tangible or intangible), rights, properties, products or businesses of any Party (or its respective subsidiaries or affiliates, if applicable), or agree to any other restrictions or behavioral requirements on the activities of either Party (or its respective subsidiaries or affiliates). In addition, the Parties agree to promptly make any other filing that may be required under any antitrust Law or by any antitrust authority and effect all other filings with and notifications to the government agencies in any other jurisdiction where such filings and notifications are required.

(ii) The Parties shall each instruct their respective counsel to cooperate with each other and use commercially reasonable efforts to facilitate and expedite the identification and resolution of any issues under any antitrust Law and, consequently, expiration or termination of the applicable HSR Act waiting period at the earliest practicable date. The Parties shall supply each other with copies of all correspondence, filings or communications with antitrust authorities, with respect to the Affiliation; provided, however, that to the extent any of the documents or information are commercially or competitively sensitive, a Party may satisfy its obligations by providing such documents or information to the other Party's outside antitrust counsel, with the understanding that such antitrust counsel shall not share such documents and information with its client.

(iii) CHC and RCHHC shall split equally: (A) the filing fee for the Notification and Report Form filed pursuant to the HSR Act with respect to the Affiliation, and (B) any costs or expenses assessed by any antitrust authority against any of the Parties in connection with such antitrust authority's review or investigation of the Affiliation.

(c) Contracts. The Parties shall cooperate with each another in a commercially reasonable manner to determine whether, pursuant to any Contracts to which a CHC Entity or RCHHC Entity is a party, (i) any consents, approvals and/or waivers are required to be obtained from third parties or (ii) any processes are required to be followed, in order to consummate the Affiliation. CHC, with RCHHC's reasonable cooperation, shall cause each CHC Entity to use commercially reasonable efforts to obtain any such consents, approvals and/or waivers, and follow such processes, contemplated in this Section 7.1(c). RCHHC, with CHC's reasonable cooperation, shall cause each RCHHC Entity to use commercially reasonable efforts to obtain any consents, approvals and/or waivers, and follow such processes, contemplated in this Section 7.1(c). Any material modification, payment or financial concession related to a Material Consent requested by a party to an applicable Contract in connection with obtaining a required consent hereunder shall be: (i) approved by the CHC Entity or RCHCC Entity that is a party to such material Contract, and (ii) approved in writing by CHC (if the party to the applicable Contract is an RCHHC Entity) or RCHHC (if the party to the applicable Contract is a CHC Entity); provided that a failure to obtain such consent shall not be construed as a Party's waiver of the condition to Closing set forth in Section 10.1(e).

7.2 Schedule Updates.

(a) From time to time prior to the Closing, CHC and RCHHC shall supplement or amend their respective Disclosure Schedules reasonably promptly in order to keep such information therein timely, complete and accurate. The supplements and/or amendments to the Disclosure Schedules will be arranged in sections corresponding to the numbered and lettered sections of this Agreement, but the disclosures in any section of the supplements and/or amendments to the Disclosure Schedules will qualify any other section in this Agreement to the extent such disclosure reasonably appears to be relevant to such other section, whether or not a specific cross-reference appears and whether or not a reference to the Disclosure Schedules (or the phrase "except as set forth" or any similar phrase) appears in such representations and warranties.

(b) CHC may not refuse to close as a result of any such supplement, update or correction unless an event or matter disclosed in such supplement, update or correction has or is reasonably expected to (i) result in material or significant reputational damage to any of the RCHHC Entities, (ii) violate, or cause the violation of, a material Law, (iii) jeopardize the tax-exempt status of any of the RCHHC Entities or violate a material requirement or obligation of an RCHHC Entity related to the RCHHC Tax-Exempt Bonds, or (iv) constitute a Material Adverse Change with respect to the RCHHC Entities.

(c) RCHHC may not refuse to close as a result of any such supplement, update or correction unless an event or matter disclosed in such supplement, update or correction has had or is reasonably expected to (i) result in material or significant reputational damage to any of the CHC Entities, (ii) violate, or cause the violation of, a material Law, (iii) jeopardize the tax-exempt status of any of the CHC Entities or violate a material requirement or obligation of a CHC Entity related to the CHC Tax-Exempt Bonds, or (iv) constitute a Material Adverse Change with respect to the CHC Entities.

7.3 Negative Covenants of CHC. During the Interim Period, CHC shall not (and shall not agree to), and shall ensure that each CHC Entity does not, take any action which would cause CHC, CHOC or CHOC at Mission to be in breach of any covenant, representation or warranty contained in this Agreement, or which would adversely affect the ability of any Party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby, without the prior written consent of RCHHC.

7.4 Negative Covenants of RCHHC. During the Interim Period, RCHHC shall not (and shall not agree to), and shall ensure that each RCHHC Entity does not, take any action which would cause RCHHC or RCHSD to be in breach of any covenant, representation or warranty contained in this Agreement, or which would adversely affect the ability of any Party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby, without the prior written consent of CHC.

7.5 Conduct of Operations.

(a) CHC Operations. During the Interim Period, except as expressly contemplated by this Agreement or as RCHHC otherwise consents to in writing, which consent shall not be unreasonably delayed, conditioned or withheld, CHC shall conduct, and shall cause each CHC Entity to conduct, the CHC Operations in the Ordinary Course of Business consistent with past practices. Without limiting the generality of the foregoing, except as expressly contemplated by this Agreement or in the Ordinary Course of Business and consistent with past practices, CHC shall, and shall cause each CHC Entity to:

(i) use commercially reasonable efforts to preserve the business organization and Ordinary Course of operations of the CHC Entities and CHC Operations intact, preserve the CHC Assets, keep available the services of each CHC Entity's present employees and independent contractors involved in the CHC Operations (other than terminations consistent with past practice and CHC policies), and preserve the goodwill of each CHC Entity's suppliers,

patients, physicians and others with whom a CHC Entity has business relationships relating to the CHC Operations;

(ii) except with respect to the entities set forth on Schedule 7.5(a) (the “CHC Excepted Entities”), not sell, assign, transfer, convey, lease, license, grant, cancel, abandon, permit to lapse, waive, release or otherwise dispose of (i) a material amount of its rights, properties or assets (other than CHC Entity Intellectual Property Assets or any rights, properties or assets it uses) or (ii) any material CHC Entity Intellectual Property Assets, except for non-exclusive licenses granted in the Ordinary Course of Business consistent with past practices;

(iii) not (i) enter into, or materially, change the terms of any employment agreement, or increase the compensation, bonus or benefits of any CHC Entity employee at the Vice President level or above, other than an “at will” Contract terminable by the employer without cause upon ninety (90) days’ or less notice, or (ii) adopt any new, extend or modify any existing severance agreements or policies other than as required by Law or a CHC Employee Benefit Program;

(iv) not terminate, amend or otherwise modify any CHC Employee Benefit Program in any material respect, except for amendments required to comply with Laws;

(v) not amend, repeal or otherwise modify its organizational documents;

(vi) except with respect to the CHC Excepted Entities, not establish or dissolve any CHC Subsidiary;

(vii) except with respect to the CHC Excepted Entities, not adopt a plan or agreement or otherwise effect any complete or partial liquidation, dissolution, joint venture, joint operating agreement, merger, affiliation, consolidation, restructuring, recapitalization, reclassification, combination or similar reorganization;

(viii) not acquire any business or Person by merger or consolidation, acquisition of membership interests, purchase of assets or equity interests or by any other manner, in a single transaction or a series of related transactions which exceeds Ten Million Dollars (\$10,000,000);

(ix) not make any capital contribution, loan or advance to, or any guaranty for the benefit of, any Person (other than a CHC Entity) in excess of Five Million Dollars (\$5,000,000);

(x) not make or commit to make any unbudgeted capital expenditure or series of related capital expenditures in excess of Five Million Dollars (\$5,000,000);

(xi) not disclose any of its confidential information or trade secrets that are CHC Entity Intellectual Property Assets to any Person (other than in the Ordinary Course of Business subject to appropriate written obligations with respect to confidentiality, non-use and non-disclosure);

(xii) not accept any restricted gifts which require funds of the entity to be spent in excess of Ten Million Dollars (\$10,000,000) as a condition to receipt of such gift, unless the required spending is towards projects contemplated by the CHC Capital Plan or CHC long term capital plan disclosed by CHC to RCHHC;

(xiii) not fail to maintain any of its material Licenses; or

(xiv) not agree, authorize, consent to, enter into any Contract, or otherwise become obligated or committed, to do any of the foregoing.

(b) CHC Operations – Notice. During the Interim Period, except as expressly contemplated by this Agreement or in the Ordinary Course of Business and consistent with past practices, CHC shall, and shall cause each CHC Entity to, provide RCHHC with advance written notice of:

(i) any termination or reduction in any insurance coverage, including categories of coverage, limits or other material terms;

(ii) any modification, extension, negotiation, termination or entering into any collective bargaining agreement or recognition or certification of any Union, labor organization, works council, or group of employees as the bargaining representative for any employees of any CHC Entity;

(iii) any modification of any indebtedness, other than unsecured indebtedness entered into in the Ordinary Course of Business;

(iv) any acquisition of any business or Person by merger or consolidation, acquisition of membership interests, purchase or assets or equity interests or by any other manner, in a single transaction or a series of related transactions which is less than Ten Million Dollars (\$10,000,000);

(v) any capital contribution, loan or advance to, or any guaranty for the benefit of, any Person (other than a CHC Entity) of less than Five Million Dollars (\$5,000,000);

(vi) commencement, settlement, compromise, discharge or agreement to settle any uninsured Action if (i) the amount payable in connection therewith would reasonably be expected to exceed Five Million Dollars (\$5,000,000) or (ii) such Action involves injunctive relief or other non-monetary remedies;

(vii) any material change in any method of accounting or auditing practice other than those expressly required by GAAP or applicable Law;

(viii) except with respect to the CHC Excepted Entities, any plan, announcement, implementation or effectuation of any reduction in force, employee lay-off, furlough, early retirement program, severance program or other program or effort that would implicate the WARN Act;

(ix) any increase to the compensation, bonus or benefits of any CHC Entity employee at the Vice President level or above, except as required by Law or a CHC Employee Benefit Program;

(x) any (i) change or revocation of any material Tax election, (ii) change to any method of Tax accounting or Tax period, (iii) settlement or compromise of any claim or Action for a material amount of Taxes, (iv) consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, (v) surrender for any claim for a refund of Taxes, (vi) entering into or request to enter into any closing agreement relating to any Tax, (vii) failure to pay any material amount of Taxes (including estimated Taxes) when due (taking into account extensions), or (viii) obtainment or request for any Tax ruling or similar guidance from any Governmental Entity;

(xi) any material change or modification to its cash management practices or its policies, practices or procedures with respect to accruals, credit, collections or payments, including acceleration of collections or accrual of revenue or receivables or delaying payment or accrual of expenses, payables or other liabilities; or

(xii) incurrence of any indebtedness, other than any unsecured indebtedness entered into in the Ordinary Course of Business.

(c) RCHHC Operations. During the Interim Period, except as expressly contemplated by this Agreement or as CHC otherwise consents to in writing, which consent shall not be unreasonably delayed, conditioned or withheld, RCHHC shall conduct, and shall cause each RCHHC Entity to conduct, the RCHHC Operations in the Ordinary Course of Business consistent with past practices. Without limiting the generality of the foregoing, except as expressly contemplated by this Agreement or in the Ordinary Course of Business and consistent with past practices, RCHHC shall, and shall cause each RCHHC Entity to:

(i) use commercially reasonable efforts to preserve the business organization and Ordinary Course of operations of the RCHHC Entities and RCHHC Operations intact, preserve the RCHHC Assets, keep available the services of each RCHHC Entity's present employees and independent contractors involved in the RCHHC Operations (other than terminations consistent with past practice and RCHHC policies), and preserve the goodwill of each RCHHC Entity's suppliers, patients, physicians and others with whom a RCHHC Entity has business relationships relating to the RCHHC Operations;

(ii) not sell, assign, transfer, convey, lease, license, grant, cancel, abandon, permit to lapse, waive, release or otherwise dispose of (i) a material amount of its rights, properties or assets (other than RCHHC Entity Intellectual Property Assets or any rights, properties or assets it uses) or (ii) any material RCHHC Entity Intellectual Property Assets, except for non-exclusive licenses granted in the Ordinary Course of Business consistent with past practices;

(iii) not (i) enter into, or materially change the terms of, any employment agreement, or increase the compensation, bonus or benefits of any RCHHC Entity employee at the Vice President level or above, other than an "at will" Contract terminable by the employer without

cause upon ninety (90) days' or less notice, or (ii) adopt any new, or extend or modify any existing severance agreements or policies other than as required by Law or an RCHHC Employee Benefit Program;

(iv) not terminate, amend or otherwise modify any RCHHC Employee Benefit Program in any material respect, except for amendments required to comply with Laws;

(v) not amend, repeal or otherwise modify its organizational documents;

(vi) not establish or dissolve any RCHHC Subsidiary;

(vii) except with respect to the entities set forth on Schedule 7.5(c) (the "RCHHC Excepted Entities"), not adopt a plan or agreement or otherwise effect any complete or partial liquidation, dissolution, joint venture, joint operating agreement, merger, affiliation, consolidation, restructuring, recapitalization, reclassification, combination or similar reorganization;

(viii) not acquire any business or Person by merger or consolidation, acquisition of membership interests, purchase of assets or equity interests or by any other manner, in a single transaction or a series of related transactions which exceeds Ten Million Dollars (\$10,000,000);

(ix) not make any capital contribution, loan or advance to, or any guaranty for the benefit of, any Person (other than a RCHHC Entity) in excess of Five Million Dollars (\$5,000,000);

(x) not make or commit to make any unbudgeted capital expenditure or series of related capital expenditures in excess of Five Million Dollars (\$5,000,000);

(xi) not disclose any of its confidential information or trade secrets that are RCHHC Entity Intellectual Property Assets to any Person (other than in the Ordinary Course of Business subject to appropriate written obligations with respect to confidentiality, non-use and non-disclosure);

(xii) not accept any restricted gifts which require funds of the entity to be spent in excess of Ten Million Dollars (\$10,000,000) as a condition to receipt of such gift, unless the required spending is towards projects contemplated by the RCHHC Capital Plan or RCHHC long term capital plan disclosed by RCHHC to CHC;

(xiii) not fail to maintain any of its material Licenses; or

(xiv) not agree, authorize, consent to, enter into any Contract, or otherwise become obligated or committed, to do any of the foregoing.

(d) RCHHC Operations – Notice. During the Interim Period, except as expressly contemplated by this Agreement or in the Ordinary Course of Business and consistent

with past practices, RCHHC shall, and shall cause each RCHHC Entity to, provide CHC with advance written notice of:

(i) any termination or reduction in any insurance coverage, including categories of coverage, limits or other material terms;

(ii) any modification, extension, negotiation, termination or entering into any collective bargaining agreement or recognition or certification of any Union, labor organization, works council, or group of employees as the bargaining representative for any employees of any RCHHC Entity;

(iii) any modification of any indebtedness other than unsecured indebtedness entered into in the Ordinary Course of Business;

(iv) any acquisition of any business or Person by merger or consolidation, acquisition of membership interests, purchase of assets or equity interests or by any other manner, in a single transaction or a series of related transactions which is less than Ten Million Dollars (\$10,000,000);

(v) any capital contribution, loan or advance to, or any guaranty for the benefit of, any Person (other than a RCHHC Entity) of less than Five Million Dollars (\$5,000,000);

(vi) commencement, settlement, compromise, discharge or agreement to settle any uninsured Action if (i) the amount payable in connection therewith would reasonably be expected to exceed Five Million Dollars (\$5,000,000) or (ii) such Action involves injunctive relief or other non-monetary remedies;

(vii) any material change in any method of accounting or auditing practice other than those expressly required by GAAP or applicable Law;

(viii) any plan, announcement, implementation or effectuation of any reduction in force, employee lay-off, furlough, early retirement program, severance program or other program or effort that would implicate the WARN Act;

(ix) any increase to the compensation, bonus or benefits of any RCHHC Entity employee at the Vice President level or above, except as required by Law or a RCHHC Employee Benefit Program;

(x) any (i) change or revocation of any material Tax election, (ii) change to any method of Tax accounting or Tax period, (iii) settlement or compromise of any claim or Action for a material amount of Taxes, (iv) consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, (v) filing of any amended Tax Return, (vi) surrender for any claim for a refund of Taxes, (vii) entering into or request to enter into any closing agreement relating to any Tax, (viii) failure to pay any material amount of Taxes (including estimated Taxes) when due (taking into account extensions), or (ix) obtainment or request for any Tax ruling or similar guidance from any Governmental Entity;

(xi) any material change or modification to its cash management practices or its policies, practices or procedures with respect to accruals, credit, collections or payments, including acceleration of collections or accrual of revenue or receivables or delaying payment or accrual of expenses, payables or other liabilities; or

(xii) incurrence of any indebtedness, other than any unsecured indebtedness entered into in the Ordinary Course of Business.

7.6 Due Diligence. During the Interim Period, each Party shall give, and shall cause each of their Related Persons to give, to the other Parties and their representatives, reasonable access during normal business hours to such Party's (and such Party's Related Persons) corporate, financial, litigation, insurance and personnel files, books, accounts, records and all other relevant documents and information as representatives of the requesting Party may from time to time request for any purpose related to its due diligence review of the other Party in connection with Affiliation, all in such manner as to not unduly disrupt normal business activities and in compliance with Law and any contractual obligations relating to confidentiality. The access to and disclosure of all such books, Contracts and records shall be subject to and continued to be governed by the terms and conditions of that certain Confidentiality Agreement between CHC and RCHHC dated as of March 25, 2022 (as such has been amended from time to time, the "NDA").

7.7 No Negotiation. Unless otherwise agreed to by the Parties, until the earlier of the Closing or the termination of this Agreement, each Party and its officers, directors, attorneys, financial advisors, agents or other representatives shall not, directly or indirectly, solicit, initiate, encourage or enter into any discussions or negotiations with, or provide any assistance or information to, or enter into any agreement with, any person or group of persons, or any entity or group of entities (other than each other) concerning: (i) an affiliation or transaction similar to the Affiliation contemplated in this Agreement, (ii) a change of Control of such Party or any of its affiliates, (iii) a sale of all or substantially all of the assets of such Party or any its affiliates, or (iv) any transaction similar to or adversely affecting the ability of a Party to engage in or consummate the Affiliation. This obligation shall be ongoing and shall continue from the Execution Date through the Closing Date (or sooner if this Agreement is terminated pursuant to the terms herein).

7.8 CHC's, CHOC's and CHOC at Mission's Efforts to Close. CHC, CHOC and CHOC at Mission shall each use commercially reasonable efforts to satisfy all of the conditions precedent set forth in Article X to the Parties' obligations under this Agreement to the extent that CHC's, CHOC's or CHOC at Mission's action or inaction can control or influence the satisfaction of such conditions.

7.9 RCHHC's and RCHSD's Efforts to Close. RCHHC and RCHSD shall each use commercially reasonable efforts to satisfy all of the conditions precedent set forth in Article X to the Parties' obligations under this Agreement to the extent that RCHHC's or RCHSD's action or inaction can control or influence the satisfaction of such conditions.

7.10 Employment and Severance Arrangements. The Parties shall use commercially reasonable efforts to ensure the legal compliance of the executive employment and severance arrangements, as applicable, for certain individuals who will be employed by, or contracted to provide services to, Parent after the Closing.

Article VIII

ADDITIONAL COVENANTS AND AGREEMENTS

8.1 Government Authorizations.

(a) CHC shall promptly apply for and use good faith efforts to obtain, as promptly as practicable, all material CHC Government Authorizations that are necessary to consummate the Affiliation. For purposes of the proceeding sentence, “CHC Government Authorizations” means all Licenses, consents or approvals of any Governmental Entity that are required for each CHC Entity to continue operating the CHC Operations after the consummation of the Affiliation described herein.

(b) RCHHC shall promptly apply for and use good faith efforts to obtain, as promptly as practicable, all material RCHHC Government Authorizations that are necessary to consummate the Affiliation. For purposes of the proceeding sentence, “RCHHC Government Authorizations” means all Licenses, consents or approvals of any Governmental Entity that are required for each RCHHC Entity to continue operating the RCHHC Operations after the consummation of the Affiliation described herein.

8.2 Intellectual Property. Prior to the Closing Date, the Parties shall have exchanged a list of all patents and patent applications, registered trademarks and pending applications for trademark registration, registered copyrights and pending applications for copyright registration, and internet domain names, in each case that are owned or purported to be owned by a RCHHC Entity or CHC Entity.

8.3 Compensation Committee Charters. Prior to the Closing Date, the Parties shall use commercially reasonable efforts to develop charters for the following two (2) transitional compensation committees of the Parent, such committees to terminate upon the later of (i) approval of the FY2024 financial audits of each of CHC and RCHHC, and (ii) the implementation of the FY2024 incentive and compensation processes for each of CHC and RCHHC:

(a) a transitional compensation committee comprised of the legacy RCHSD Compensation Committee members, which committee shall be authorized to execute the RCHHC Entities’ prior year (fiscal year 2024) management performance plans and annual reviews, provided that such amounts shall have been accrued as of the Closing Date and are consistent with historical RCHHC Entity policies, and any discretionary bonuses or payments awarded by such committee shall be consistent with ordinary course historical practice of the RCHHC Entities; and

(b) a transitional compensation committee comprised of the legacy CHOC Compensation Committee members, which committee shall be authorized to execute the CHC Entities' prior year (fiscal year 2024) management performance plans and annual reviews, provided that such amounts shall have been accrued as of the Closing Date and are consistent with historical CHC Entity policies, and any discretionary bonuses or payments awarded by such committee shall be consistent with ordinary course historical practice of the CHC Entities.

8.4 Further Assurances. Each Party shall execute and deliver such instruments, in form and substance mutually agreeable to the Parties (as applicable) that are reasonably required in order to carry out the terms of this Agreement or the Affiliation.

Article IX

TERMINATION OF AGREEMENT

9.1 Termination of Agreement.

(a) Mutual Agreement. This Agreement may be terminated at any time by the mutual written agreement of the Parties.

(b) Breach of Covenant.

(i) This Agreement may be terminated by CHC:

(A) At any time prior to the Closing by providing written notice to RCHHC if RCHHC or RCHSD has materially breached any of their respective covenants set forth in this Agreement, when performance is due and does not cure the failure within twenty (20) Business Days after receipt of written notice thereof from CHC;

(B) Immediately (following the Meet and Confer process set forth in Section 16.10(a)) if the Parties are unable to mutually agree on any of the decisions with respect to the Attorney General set forth in Section 7.1(a)(ii); or

(C) Immediately if CHC may refuse to close pursuant to Section 7.2(b).

(ii) This Agreement may be terminated by RCHHC:

(A) At any time prior to the Closing by providing written notice to CHC if CHC, CHOC or CHOC at Mission has materially breached any of their respective covenants set forth in this Agreement when performance is due and does not cure the failure within twenty (20) Business Days after receipt of written notice thereof from RCHHC;

(B) Immediately (following the Meet and Confer process set forth in Section 16.10(a)) if the Parties are unable to mutually agree on any of the decisions with respect to the Attorney General set forth in Section 7.1(a)(ii); or

(C) Immediately if RCHHC may refuse to close pursuant to Section 7.2(c).

(c) Breach of Representation.

(i) This Agreement may be terminated by CHC at any time prior to the Closing by providing written notice to RCHHC if RCHHC has materially breached any of its representations or warranties set forth in Article V such that satisfaction of the condition in Section 10.2(a) by the Drop Dead Date is not reasonably likely to occur.

(ii) This Agreement may be terminated by RCHHC at any time prior to the Closing by providing written notice to CHC if CHC has materially breached any of its representations or warranties set forth in Article VI such that satisfaction of the condition in Section 10.3(a) by the Drop Dead Date is not reasonably likely to occur.

(d) Failure of Condition. This Agreement may be terminated by CHC or RCHHC, by written notice to the other, if the Closing has not occurred on or before June 30, 2024 (the “Drop Dead Date”); provided, however, that (i) CHC shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by CHC, CHOC or CHOC at Mission or the failure of a condition which was CHC’s, CHOC’s or CHOC at Mission’s responsibility to fulfill; and (ii) RCHHC shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by RCHHC or RCHSD or the failure of a condition which was RCHHC’s or the RCHSD’s responsibility to fulfill.

9.2 Effect of Termination. If this Agreement is terminated as permitted by Section 9.1, such termination shall be without liability of a Party, except that the provisions of Section 1.2 (Rules of Interpretation), this Section 9.2 (Effect of Termination), Article XV (Remedies) and Article XVI (Miscellaneous) and all provisions of the NDA will remain in full force and effect and survive any termination of this Agreement.

Article X

CONDITIONS TO CLOSING

10.1 Mutual Conditions. The respective obligations of the Parties to effect the Affiliation are subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) The waiting period pursuant to the HSR Act and any extensions thereof shall have expired or been terminated.

(b) No Law that makes consummation of the Closing or implementation of this Agreement illegal will have been enacted, promulgated or issued by a Governmental Entity with authority to enforce such Law; provided, however, if any such Law is enacted, promulgated or issued, the Parties shall meet and confer in good faith to discuss amendments to this Agreement to the minimum extent necessary to comply with such Law while preserving as closely as possible the rights of the Parties and the terms of this Agreement in effect before such change in Law, it being acknowledged that in such case each Party shall have agreed in writing to any amendment to this Agreement in order for the condition set forth in this Section 10.1(b) to be satisfied.

(c) No order by a court or other Governmental Entity of competent jurisdiction preventing the consummation of the Affiliation will be in effect.

(d) No Action challenging this Agreement or the Affiliation or seeking to prohibit, alter, prevent or materially delay the Affiliation will have been instituted and be pending.

(e) All CHC Government Authorizations and RCHHC Government Authorizations that are listed in Annex 10.1(e) shall have been obtained to the satisfaction of both CHC and RCHHC, as determined in each's sole discretion.

(f) The consents and approvals of third parties listed in Annex 10.1(f) ("Material Consents") shall have been obtained to the satisfaction of both CHC and RCHHC, as determined in each's sole discretion.

(g) The requirements of Section 3.10 of the RCHHC Master Indenture shall have been met or waived in accordance with the terms of the RCHHC Master Indenture.

(h) (i) The members of Parent's Board of Directors as of the Effective Time shall have been nominated and elected to serve on the Parent Board of Directors in accordance with the Parent Amended Bylaws, (ii) the Chairperson and Vice-Chairperson of the Parent Board of Directors as of the Effective Time shall have been designated, and (iii) a number of years shall have been assigned for the initial term of each member of the Parent Board of Directors as of the Effective Time for the purpose of staggering such terms.

(i) CHC and RCHHC, each in their reasonable discretion, shall have approved the following:

(i) The CHOC Foundation Amended Articles and the CHOC Foundation Amended Bylaws.

(ii) The CRC Real Estate Corporation Amended Articles and the CRC Real Estate Corporation Amended Bylaws.

(iii) The Rady Children's Hospital Foundation – San Diego Amended Articles and the Rady Children's Hospital Foundation – San Diego Amended Bylaws.

(iv) The Rady Children's Hospital Research Center Amended Articles and the Rady Children's Hospital Research Center Amended Bylaws.

(v) The Rady Children's Health Services – San Diego Amended Articles and the Rady Children's Health Services – San Diego Amended Bylaws.

(vi) The Rady Children's Physician Management Services, Inc. Amended Articles and the Rady Children's Physician Management Services, Inc. Amended Bylaws.

(vii) The Children's Hospital Integrated Risk Protected Limited Amended Articles and the Children's Hospital Integrated Risk Protected Limited Amended Bylaws.

(viii) The Children's Health Plan of California Amended Articles and the Children's Health Plan of California Amended Bylaws.

10.2 Conditions Precedent to Obligations of CHC, CHOC and CHOC at Mission. The obligations of CHC, CHOC and CHOC at Mission to complete the Affiliation at the Closing shall be subject to fulfillment of all of the following conditions, except those conditions which are waived by CHC:

(a) Accuracy of Representations and Warranties. The representations and warranties of RCHHC set forth in Article V, as amended in accordance with Section 7.2, shall be true and correct in all material respects as of the Closing Date, as though then made, except (i) for changes contemplated by this Agreement, and (ii) to the extent a representation or warranty is made as of a specific date.

(b) Performance of Covenants and Agreements. RCHHC and RCHSD shall have performed in all material respects all covenants and agreements contained in this Agreement required to be performed by RCHHC and RCHSD before the Closing, including RCHHC's obligation to supplement or amend its Disclosure Schedules, as necessary, in accordance with Section 7.2.

(c) Bring-Down Certificate. RCHHC shall have delivered to CHC a bring-down certificate to the effect of Section 10.2(a) and Section 10.2(b).

(d) Approval of Documentation. The form and substance of all certificates, documents, consents and agreements contemplated hereby and required to be delivered to CHC, CHOC or CHOC at Mission at the Closing shall be reasonably satisfactory to CHC's counsel.

(e) Attorney General Approval. The Attorney General shall have issued its approval of the Affiliation, and all conditions imposed by the Attorney General on the Affiliation in connection with the Attorney General's approval shall be satisfactory to CHC in its reasonable discretion.

(f) RCHHC Material Adverse Change. There shall have been no Material Adverse Change of the RCHHC Entities since the Execution Date.

(g) Deliveries at Closing. All of the deliverables described in Section 11.2 shall have been provided to CHC.

(h) Satisfaction of the RCHHC Master Indenture Requirements. The requirements of Section 3.10 of the RCHHC Master Indenture shall have been met to the satisfaction of CHC, as determined in its sole discretion.

10.3 Conditions Precedent to Obligations of RCHHC and RCHSD. The obligations of RCHHC and RCHSD to complete the Affiliation at the Closing shall be subject to fulfillment of all of the following conditions, except those conditions that are waived by RCHHC:

(a) Accuracy of Representations and Warranties. The representations and warranties of CHC set forth in Article VI, as amended in accordance with Section 7.2, shall be true and correct in all material respects as of the Closing Date, as though then made, except (i) for changes contemplated by this Agreement, and (ii) to the extent a representation or warranty is made as of a specific date.

(b) Performance of Covenants and Agreements. CHC, CHOC and CHOC at Mission shall have performed in all material respects all covenants and agreements contained in this Agreement required to be performed by CHC, CHOC and CHOC at Mission before the Closing, including CHC's obligation to supplement or amend its Disclosure Schedules, as necessary, in accordance with Section 7.2.

(c) Bring-Down Certificate. CHC shall have delivered to RCHHC a bring-down certificate to the effect of Section 10.3(a) and Section 10.3(b).

(d) Approval of Documentation. The form and substance of all certificates, documents, consents and agreements contemplated hereby and required to be delivered to RCHHC or RCHSD at the Closing shall be reasonably satisfactory to RCHHC's counsel.

(e) Attorney General Approval. The Attorney General shall have issued its approval of the Affiliation, and all conditions imposed by the Attorney General on the Affiliation in connection with the Attorney General's approval shall be satisfactory to RCHHC in its reasonable discretion.

(f) CHC Material Adverse Change. There shall have been no Material Adverse Change of the CHC Entities since the Execution Date.

(g) Deliveries at Closing. All of the deliverables described in Section 11.3 shall have been provided to RCHHC.

Article XI

CLOSING

11.1 Closing and Closing Date. Completion of the Affiliation (the “Closing”) shall take place remotely via exchange of documents and signature pages on the date (the “Closing Date”) that is as promptly as practical (but not more than five (5) Business Days) after satisfaction or waiver of the conditions in Article X. The Affiliation shall be treated as occurring at 12:01 AM on the day immediately following the Closing (the “Effective Time”). All proceedings to take place at the Closing shall be deemed to have been executed and taken simultaneously.

11.2 Deliveries by RCHHC. At the Closing, RCHHC shall deliver to CHC the following:

- (a) The Merger Agreement, duly executed by RCHHC.
- (b) The Parent Amended Articles, ready to file with the California Secretary of State.
- (c) The Parent Amended Bylaws, certified as of the Closing Date.
- (d) The RCHSD Amended Articles, ready to file with the California Secretary of State.
- (e) The RCHSD Amended Bylaws, certified as of the Closing Date.
- (f) The Rady Children’s Hospital Foundation – San Diego Amended Articles, ready to file with the California Secretary of State.
- (g) The Rady Children’s Hospital Foundation – San Diego Amended Bylaws, certified as of the Closing Date.
- (h) The Rady Children’s Hospital Research Center Amended Articles, ready to file with the California Secretary of State.
- (i) The Rady Children’s Hospital Research Center Amended Bylaws, certified as of the Closing Date.
- (j) The Rady Children’s Health Services – San Diego Amended Articles, ready to file with the California Secretary of State.
- (k) The Rady Children’s Health Services – San Diego Amended Bylaws, certified as of the Closing Date.
- (l) The Rady Children’s Physician Management Services, Inc. Amended Articles, ready to file with the California Secretary of State.

(m) The Rady Children's Physician Management Services, Inc. Amended Bylaws, certified as of the Closing Date.

(n) The Children's Hospital Integrated Risk Protected Limited Amended Articles, ready to file with the Bermuda Registrar of Companies.

(o) The Children's Hospital Integrated Risk Protected Limited Amended Bylaws, certified as of the Closing Date.

(p) The Children's Hospital Insurance Limited Amended Articles, ready to file with the Bermuda Registrar of Companies.

(q) The Children's Hospital Insurance Limited Amended Bylaws, certified as of the Closing Date.

(r) The Children's Health Plan of California Amended Articles, ready to file with the California Secretary of State.

(s) The Children's Health Plan of California Amended Bylaws, certified as of the Closing Date.

(t) An officer's certificate of RCHHC and RCHSD, dated as of the Closing Date, as to: (i) the adoption and continued effectiveness of, and attaching a copy of, the resolutions of the Board of Directors of RCHHC and RCHSD approving the execution, delivery and performance of this Agreement and the Transaction Documents to which they are a party, and (ii) the incumbency and signatures of the officers of RCHHC and RCHSD executing this Agreement and the Transaction Documents to which they are a party.

(u) A Certificate of Status, or comparable status, for each RCHHC Entity, issued by the Secretary of state of the state in which such entity is registered, dated no more than fifteen (15) Business Days prior to the scheduled Closing Date.

(v) An Entity Status Letter for each RCHHC Entity from the Franchise Tax Board of state in which such entity is registered, dated no more than fifteen (15) Business Days prior to the scheduled Closing Date.

(w) A duly executed assumption by RCHHC of CHC's obligations under the CHOC Master Indenture in accordance with Section 3.01(k) of the CHOC Master Indenture, in a form mutually agreed upon by CHC and RCHHC.

11.3 Deliveries by CHC. At the Closing, CHC shall deliver to RCHHC the following:

- (a) The Merger Agreement, duly executed by CHC.
- (b) The CHOC Amended Articles, ready to file with the California Secretary of State.

- (c) The CHOC Amended Bylaws, certified as of the Closing Date.
- (d) The CHOC at Mission Amended Articles, ready to file with the California Secretary of State.
- (e) The CHOC at Mission Amended Bylaws, certified as of the Closing Date.
- (f) The CHOC Foundation Amended Articles, ready to file with the California Secretary of State.
- (g) The CHOC Foundation Amended Bylaws, certified as of the Closing Date.
- (h) The CRC Real Estate Corporation Amended Articles, ready to file with the California Secretary of State.
- (i) The CRC Real Estate Corporation Amended Bylaws, certified as of the Closing Date.
- (j) The Providence Speech and Hearing Center Amended Articles, ready to file with the California Secretary of State.
- (k) The Providence Speech and Hearing Center Amended Bylaws, certified as of the Closing Date.
- (l) The Children's Health Plan of California Amended Articles, ready to file with the California Secretary of State.
- (m) The Children's Health Plan of California Amended Bylaws, certified as of the Closing Date.
- (n) A officer's certificate of CHC, CHOC and CHOC at Mission, dated as of the Closing Date, as to: (i) the adoption and continued effectiveness of, and attaching a copy of, the resolutions of the board of directors of CHC, CHOC and CHOC at Mission approving the execution, delivery and performance of this Agreement and the Transaction Documents to which they are a party, and (ii) the incumbency and signatures of the officers of CHC, CHOC and CHOC at Mission executing this Agreement and the Transaction Documents to which they are a party.
- (o) A Certificate of Status, or comparable status, for each CHC Entity, issued by the Secretary of state of each state in which such entity is registered, dated no more than fifteen (15) Business Days prior to the scheduled Closing Date.
- (p) An Entity Status Letter for each CHC Entity from the Franchise Tax Board of each state in which such entity is registered, dated no more than fifteen (15) Business Days prior to the scheduled Closing Date.

Article XII

CONFIDENTIALITY

12.1 Confidentiality and Announcements. No Party shall, without the written consent of the other Party, make any public announcement or press release with respect to this Agreement except to their consultants, accountants, investors, attorneys, the Attorney General, Governmental Entities, and/or to other Persons when such announcement or press release to other Persons is necessary to comply with any Law, governmental or court order or regulation. Additionally, the Parties shall mutually develop a plan in conjunction with this Agreement providing for the processes and requirements of any internal and external communications with respect to the terms of this Agreement, which the Parties shall comply with prior to the Closing. Parties.

Article XIII

POST-CLOSING RIGHTS AND OBLIGATIONS

13.1 Endowments and Investment Portfolios. After the Closing, consistent with Parent's financial commitments set forth in Article XIV, Parent shall manage and oversee the CHC Entities' and RCHHC Entities' endowments and investment portfolios, including cash reserves, via a consolidated balance sheet, system-wide investment policies and a centralized investment committee, subject to the restrictions on any such assets. Additionally, Parent shall have the right, if approved by Parent's Board of Directors, to combine the endowments, investment portfolios and cash reserves of each CHC Entity and RCHHC Entity if determined by Parent to be in the best interest of the communities served by the Health System, subject to the restrictions on any such assets.

13.2 System Branding. After the Closing, Parent shall develop a branding plan for Parent, the CHC Entities, the RCHHC Entities and their respective facilities and activities that is consistent with the New Parent Name and that preserves the recognition, affinity and brand value of the Parties (the "Health System Branding Plan"); provided, however, the legal names of CHOC, CHOC at Mission and RCHSD shall be developed prior to, and shall take effect as of, the Closing Date. To the extent desired by the Parent, the Health System Branding Plan will include a trademark ownership structure and royalty-free intercompany license agreements to the extent necessary to carry out the Health System Branding Plan and preserve the value and validity of the relevant trademarks.

(a) Prior to its implementation, the Health System Branding Plan shall be approved by the Board of Directors of each of CHOC, CHOC at Mission and RCHSD. Until the Health System Branding Plan is implemented, the Parties will not take any actions or use any of the RCHHC Entity Intellectual Property Assets or CHC Entity Intellectual Property Assets in a manner that is reasonably likely to impair or tarnish the reputation of, or to invalidate, any trademarks included in the RCHHC Entity Intellectual Property Assets or CHC Entity Intellectual Property Assets.

13.3 Medical Staffs. From and after the Closing, CHOC Hospital, CHOC at Mission Hospital and Rady Children's Hospital shall retain separate, independent medical staffs and retain separate medical staff bylaws. The Parties will not require or take any action as a condition of or in connection with the Closing that, effective as of the Closing, would change any of the following: (i) the positions of all elected and appointed leaders of the medical staffs of CHOC Hospital, CHOC at Mission Hospital or Rady Children's Hospital (including officers, committee chairs and vice chairs, and department chairs and vice chairs), or (ii) the membership status or clinical privileges of members of the medical staff of CHOC Hospital, CHOC at Mission Hospital or Rady Children's Hospital. The Parties agree that such status or privileges may be changed only after the Closing Date and only in accordance with the provisions of the applicable medical staff bylaws of the applicable hospital and applicable Laws.

13.4 Actions Related to Indebtedness. Parties shall use commercially reasonable efforts to, within twelve (12) months of the Closing and at such time as determined by Parent management, cause CHOC and RCHHC, subject to receipt of any required consent from third-parties and satisfaction of applicable tests under the CHOC Bond Indentures and RCHHC Master Indenture, to take all necessary steps required to do either of the following, as determined by Parent management:

(a) simultaneously (i) in accordance with the terms of the RCHHC Master Indenture, admit CHOC and any other entity then a member of the "Obligated Group" under the CHOC Master Indenture to the "Obligated Group" under the RCHHC Master Indenture and (ii) in accordance with the terms of the CHOC Bond Indentures, substitute the CHOC Master Indenture and the then-outstanding obligation issued thereunder with the RCHHC Master Indenture and new obligations issued thereunder, or

(b) simultaneously: (i) in accordance with the terms of the CHOC Master Indenture, admit RCHSD and any other entity then a member of the "Obligated Group" under the RCHHC Master Indenture (other than RCHHC, unless the Parties agree otherwise) to the "Obligated Group" under the CHOC Master Indenture and (ii) in accordance with the terms of the RCHHC Master Indenture, substitute the RCHHC Master Indenture and the then-outstanding obligation issued thereunder with the CHOC Master Indenture and new obligations issued thereunder.

13.5 Unwind of Affiliation. If, at any time after the Closing, Parent, CHOC and RCHSD agree in writing to unwind the Affiliation, the Parties shall work together in good faith to modify their organizational documents and take all other actions necessary and appropriate to unwind the Affiliation, and Parent's assets and liability shall be allocated in a manner intended to permit the Parties to operate after termination as standalone enterprises consistent with their respective missions and purposes. The Parent Board of Directors (or a designated committee thereof) may engage a qualified, independent third-party consultant with experience in the nonprofit healthcare industry to implement the allocation of assets and liabilities to the Parties upon any such unwinding of the Affiliation.

Article XIV

FINANCIAL COMMITMENTS

14.1 Enterprise Master Plans and Strategic Projects.

(a) CHC Enterprise Master Plan and Strategic Projects. Exhibit A, attached hereto and incorporated herein, sets forth the enterprise master plan and capital plan for strategic projects of the CHC Entities as of the Closing Date (collectively, the “CHC Capital Plan”). Exhibit B, attached hereto and incorporated herein, sets forth the plan of finance as of the Closing Date for the CHC Capital Plan (the “CHC Plan of Finance”). After the Closing, Parent hereby commits and agrees to fund or cause to be funded Nine Hundred Thirty-Two Million Dollars (\$932,000,000) towards the CHC Capital Plan, which shall include the Funding Amount (defined below) (collectively, the “CHC Guaranteed Funding Amount”), which amount shall be updated by mutual agreement of the Parties and set forth on Exhibit G, attached hereto and incorporated herein, at least thirty (30) days prior to the Closing Date to reflect the portion of the CHC Capital Plan as of such date that is yet to be spent or funded by a third party.

(i) The Parties acknowledge and agree that the CHC Plan of Finance includes Two Hundred and Seventy-Five Million Dollars (\$275,000,000) in new debt financing or other funding source to be issued for the funding of the CHC Capital Plan (the “Funding Amount”). Parent shall either: (A) obtain the Funding Amount in new debt financing, (B) permit CHOC to obtain the Funding Amount in new debt financing, or (C) obtain the Funding Amount through another funding source determined by Parent. The Funding Amount shall be allocated for use towards the CHC Capital Plan consistent with the CHC Plan of Finance.

(b) Rady Enterprise Master Plan and Strategic Projects. Exhibit C, attached hereto and incorporated herein, sets forth the enterprise master plan and capital plan for strategic projects of the RCHHC Entities as of the Closing Date (collectively, the “RCHHC Capital Plan”). Exhibit D, attached hereto and incorporated herein, sets forth the plan of finance as of the Closing Date for the RCHHC Capital Plan (the “RCHHC Plan of Finance”). After the Closing, Parent hereby commits and agrees to fund or cause to be funded One Billion Two Hundred Thirty-Eight Million Dollars (\$1,238,000,000) towards the RCHHC Capital Plan (the “RCHHC Guaranteed Funding Amount”), which amount shall be updated by mutual agreement of the Parties and set forth on Exhibit G at least thirty (30) days prior to the Closing Date to reflect the portion of the RCHHC Capital Plan as of such date that is yet to be spent or funded by a third party.

14.2 System Conversion Costs. In addition to the CHC Guaranteed Funding Amount and the RCHHC Guaranteed Funding Amount, after the Closing, Parent hereby commits and agrees to fund the costs of the electronic system conversions of the CHC Entities and the RCHHC Entities set forth on Exhibit E, attached hereto and incorporated herein (the “System Conversion Costs”).

14.3 Community Commitment Funds. As consideration for the renaming of the CHC Entities and implementation of the Health System Branding Plan as described in Section 13.2,

Parent shall commit Three Hundred Million Dollars (\$300,000,000) (the “Community Commitment Funds”) to be designated for use by Parent for programs and operations within the communities currently served by CHC as of the Closing Date, and may include expenditures that fall inside or outside the scope of the CHC Plan of Finance. Within eighteen (18) months after the Closing, the Co-CEOs of Parent shall jointly develop a definitive plan for the expenditure of the Community Commitment Funds (the “Plan for Community Commitment Funds”). The initial Plan for Community Commitment Funds, and any subsequent changes thereto, shall be approved by CHOC’s board of directors and then recommended to Parent’s Board of Directors for final approval.

Notwithstanding the foregoing, if at the end of Phase 1 of the CHC Plan of Finance, the total philanthropy dollars received in cash during Phase 1 of the CHC Plan of Finance (“Received Phase 1 Philanthropy Dollars”) is less than the total philanthropy dollars expected to be received by the CHC Entities during Phase 1 of the CHC Plan of Finance, measured as of the Closing Date and as set specifically forth on Exhibit B (the “Adjusted Phase 1 Philanthropy Target”), then the difference between the Adjusted Phase 1 Philanthropy Target and the Received Phase 1 Philanthropy Dollars shall be referred to herein as the “Phase 1 Philanthropy Unmet Goal Amount.” If such Phase 1 Philanthropy Unmet Goal Amount is not mitigated by Parent management through other means (such as through excess operating revenue of the CHC Entities), as reasonably determined by Parent management, then Parent may use a portion of the Community Commitment Funds (to the extent the Community Commitment Funds have not fully been spent) to fund the CHC Capital Plan in an amount equal to the remaining unmitigated Phase 1 Philanthropy Unmet Goal Amount; provided, however, the amount of Community Commitment Funds used to fund the Phase 1 Philanthropy Unmet Goal shall not exceed fifty percent (50%) of the Adjusted Phase 1 Philanthropy Target. Parent’s decision to use a portion of the Community Commitment Funds to fund the Phase 1 Philanthropy Unmet Goal Amount in accordance with the foregoing sentence shall be at the direction of Parent CEO and approved in accordance with the approval thresholds set forth in Parent’s Bylaws, including applicable management signature authority policies.

For purposes of illustration only, assume as of the Execution Date that the total philanthropy dollars expected to be received by the CHC Entities during Phase 1 of the CHC Plan of Finance is Ninety-Seven Million Dollars (\$97,000,000). Assume further that as of the Closing Date, the CHC Entities have received an additional Twenty-Seven Million Dollars (\$27,000,000) in philanthropy cash. Therefore, as of the Closing Date, the Adjusted Phase I Philanthropy Target would be Seventy Million Dollars (\$70,000,000) and would be set forth in Exhibit B. Assume further that between the Closing Date and June 30, 2027, the CHC Entities receive an additional Twenty Million Dollars (\$20,000,000) in philanthropy cash. Therefore, the Phase I Philanthropy Unmet Goal Amount would be Fifty Million Dollars (\$50,000,000). In this example, the Community Commitment Funds available to Parent to fund the Phase I Philanthropy Unmet Goal Amount could not exceed Thirty-Five Million Dollars (\$35,000,000) (i.e., 50% of Seventy Million Dollars (\$70,000,000)) assuming that the Phase I Philanthropy Unmet Goal Amount was not otherwise mitigated.

14.4 Mitigation Plan; Special Session Committee.

(a) During the Transition Period. If, during the period between the Closing Date and the July 1st immediately following the sixth (6th) anniversary of the Closing Date (the “Transition Period”), the Health System does not meet the financial targets set forth on Exhibit E, attached hereto and incorporated herein (the “Financial Targets”), and as a result of not meeting such Financial Targets Parent is unable to fully fund the CHC Capital Plan or the RCHHC Capital Plan, as applicable, under the CHC Plan of Finance or RCHHC Plan of Finance, the management of Parent shall work with the Board of Directors of CHOC or RCHSD, as applicable, to develop a mitigation plan (the “Mitigation Plan”) that identifies additional sources of funding for, or modification to, the CHC Capital Plan or the RCHHC Capital Plan, as applicable. The Co-CEOs or CEO of Parent, as applicable, shall confer and collaborate with the senior management team of Parent, CHOC and RCHSD in developing the Mitigation Plan. Once developed, the Mitigation Plan must be approved by the Special Session Committee (as defined below). The Special Session Committee shall have no authority to modify or limit any of the following, and the modification or limitation of any of the following shall require the prior approval of the Board of Directors of CHOC, CHOC at Mission and RCHSD:

(i) Parent’s commitment to fund the full amount of the System Conversion Costs;

(ii) Parent’s commitment to fully fund the Funding Amount in accordance with Section 14.1(a)(i); or

(iii) Subject to Section 14.3 above, Parent’s commitment to fund the Community Commitment Funds in accordance with the Plan for Community Commitment Funds.

(b) For purposes of this Agreement, “Special Session Committee” shall mean a committee that is comprised of: (x) all of the CHOC Directors (as defined in the Parent Amended Bylaws) who are members of the Executive Committee of the Parent board of directors, (y) all of the RCHSD Directors (as defined in the Parent Amended Bylaws) who are members of the Executive Committee of the Parent board of directors, and (z) one (1) additional RCHSD Director (as defined in the Parent Bylaws) to be mutually agreed upon by CHOC and RCHSD. The Special Session Committee shall have the authority to approve the Mitigation Plan. The Parties acknowledge and agree that the Special Session Committee shall not constitute a committee of the Parent board of directors under California Corporations Code Section 5212 and shall cease to exist as of the end of the Transition Period.

(c) Following the Transition Period. If, following the Transition Period, the Health System does not meet the Financial Targets, and as a result of not meeting such Financial Targets Parent is unable to fully fund the CHC Capital Plan or the RCHHC Capital Plan, as applicable, under the CHC Plan of Finance or RCHHC Plan of Finance, the CEO of Parent shall work with the Board of Directors of CHOC or RCHSD, as applicable, to develop a Mitigation Plan. Once developed, the Mitigation Plan must be approved by supermajority approval of the Parent Board of Directors in accordance with Parent’s Bylaws.

Article XV

REMEDIES

15.1 Remedies Prior to the Closing Date. The Parties acknowledge and agree that the sole and exclusive remedy of the Parties arising out of: (i) any breach of, or any inaccuracy in, any representation or warranty made by a Party in this Agreement that occurs on or prior to the Closing Date; or (ii) any breach of any covenant, obligation or agreement of a Party in this Agreement that occurs on or prior to the Closing Date, shall be a Party's right to terminate this Agreement pursuant to Section 9.1; provided, however, nothing contained in this Section 15.1 shall in any way limit or restrict the right of any Party to bring a cause of action based on actual common law fraud in the making of another Party's representations and warranties in Article V or Article VI of this Agreement.

15.2 Remedies After the Closing Date. The Parties shall submit any dispute, claim or controversy arising out of or relating to any breach of any covenant, obligation or agreement of a Party in this Agreement that occurs after the Closing Date to the dispute resolution process set forth in Section 16.10. If the Parties are unable to resolve a dispute, claim or controversy through such process, each Party shall have the right to seek any legal or equitable recourse or remedy available to such Party.

15.3 Non-Survival. The representations, warranties, covenants and agreements in this Agreement and any certificate delivered pursuant hereto by a Party, and all rights and remedies with respect thereto, will terminate at the Closing such that no claim for breach of any representation, warranty, covenant or agreement may be brought after the Closing with respect thereto and there will be no liability in respect thereof, except that this Section 15.3 shall not limit responsibility for performance of covenants and agreements of the Parties which by their terms contemplate performance in whole or in part after the Closing.

Article XVI

MISCELLANEOUS

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

To CHC, CHOC or CHC at Mission:	Children's Hospital of Orange County 1201 W. La Veta Avenue Orange, California 92868 Attention: President and CEO
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With a copy to:	Children's Hospital of Orange County 1201 W. La Veta Avenue
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Orange, California 92868
Attention: Senior Vice President and Chief
Legal Officer

To RCHHC or RCHSD:

Rady Children's Hospital and Health Center
3020 Children's Way, MC 5069
San Diego, California 92123
Attn: President and CEO

With a copy to:

Rady Children's Hospital and Health Center
3020 Children's Way, MC 5052
San Diego, California 92123
Attn: Vice President and General Counsel

16.2 Counterparts. This Agreement may be executed in one or more counterparts and may be exchanged by email transmission, each of which shall be deemed to be an original but all of which together shall constitute one and the same document.

16.3 Captions and Section Headings. Captions and section headings are for convenience only, are not a part of this Agreement and may not be used in construing it.

16.4 Cooperation. Each of the Parties agrees to cooperate in the effectuation of the Affiliation and to execute any and all additional documents and to take such additional action as is reasonably necessary or appropriate for such purposes.

16.5 Time of Essence. The time of making payments and keeping the agreements made herein is specifically made of the essence of this Agreement.

16.6 Entire Agreement. This Agreement, including any certificate, attachment, schedule, exhibit or other document delivered pursuant to its terms, constitutes the entire agreement between the Parties, and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof. There are no verbal agreements, representations, warranties, or undertakings between the Parties other than as provided herein, and this Agreement may not be amended or modified in any respect, except by a written instrument signed by the Parties.

16.7 Governing Laws. This Agreement is to be governed by and construed in accordance with the internal Laws of the State.

16.8 Assignment. This Agreement shall not be assigned or otherwise transferred by any Party without the prior written consent of the other Parties, which may be granted or withheld in the other Parties' sole and absolute discretion.

16.9 Expenses. Each Party shall be responsible for the payment of all attorney fees and costs incurred by such Party in connection with the negotiation, due diligence and completion of the final terms of this Agreement and the Affiliation.

16.10 Dispute Resolution.

(a) Meet and Confer. Except as otherwise provided in this Agreement, the Chair of the Board of CHOC or the Chair of the Board of RCHSD, as applicable (the “Disputing Party”), shall notify the Chair of the Board of RCHSD or the Chair of the Board of CHOC, as applicable (the “Receiving Party”) and the Co-CEOs or CEO of Parent, as applicable, of any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof (collectively, a “Dispute”). Within thirty (30) days after a Receiving Party receives written notice of a Dispute (the “Dispute Notice”), the Disputing Party and the Receiving Party shall meet to negotiate and resolve the Dispute (the “Meet and Confer”). The Co-CEOs or CEO of Parent, as applicable, shall attend the Meet and Confer. The obligation to conduct a Meet and Confer pursuant to this Section 16.10(a) does not obligate any Disputing Party or Receiving Party to agree to any compromise or resolution of the Dispute that such Disputing Party or Receiving Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable Laws protecting statements, disclosures, or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such Laws, including California Evidence Code Section 1152 and Federal Rule of Evidence 408.

(b) Mediation. In the event that the Meet and Confer process set forth in Section 16.10(a) above does not result in the resolution of the Dispute, within thirty (30) days after the Meet and Confer takes place, the Disputing Party and the Receiving Party, as applicable, shall submit the Dispute for mediation to a neutral person qualified to act as a mediator, which mediation shall occur for a period of at least sixty (60) days from the end of the Meet and Confer (or such longer period as may be mutually agreed to). The mediation shall take place at a mutually agreeable location. The mediation shall be attended by representatives of the Disputing Party and the Receiving Party (who may or may not be accompanied by legal counsel, in their respective discretion), who shall attempt in good faith to resolve the Dispute and shall have authority to do so. All fees and expenses of the mediation shall be borne equally by the Disputing Party and the Receiving Party. All statements made or information provided in the course of mediation shall be confidential, privileged and inadmissible for any purpose in any other proceeding. Notwithstanding the mandatory mediation requirement of this Section 16.10(b), any Disputing Party or Receiving Party shall have the right at any time solely to apply for and obtain a temporary restraining order or other temporary or interim injunctive or equitable relief, including interim mandatory injunctive relief, from a court of competent jurisdiction in order to enforce the provisions of any part of this Agreement, or to preserve the status quo pending mediation as may be necessary to protect its rights, provided, however, that interim mandatory injunctive relief may not be used to enforce the payment of money prior to engaging in the process set forth in this Section 16.10.

16.11 Attorneys’ Fees and Costs. The prevailing party of any Action arising out of or relating to this Agreement shall be entitled to its reasonable attorneys’ fees and other costs for pertaining to such Action.

16.12 No Third-Party Beneficiaries. The terms and provisions of this Agreement (including provisions regarding employee and employee benefit matters) are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and are not intended to confer third-party beneficiary rights upon any other person.

16.13 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of the performance of such provision or any other instance. Any waiver granted by a Party must be in writing, and shall apply solely to the specific instance expressly stated.

16.14 Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the Parties to the greatest extent possible. All other provisions of this Agreement shall remain in full force and effect.

16.15 Successors and Assigns. The covenants and conditions contained herein, subject to the provisions as to assignment and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of the Parties.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement effective as of the Execution Date.

CHC:

CHILDREN'S HEALTHCARE OF
CALIFORNIA, a California nonprofit public
benefit corporation

By: 

Name: Kimberly Chavalas Cripe

Title: President and Chief Executive Officer

CHOC:

CHILDREN'S HOSPITAL OF ORANGE
COUNTY, a California nonprofit public benefit
corporation

By: 

Name: Kimberly Chavalas Cripe

Title: President and Chief Executive Officer

CHOC AT MISSION:

CHILDREN'S HOSPITAL AT MISSION, a
California nonprofit public benefit corporation

By: 

Name: Kimberly Chavalas Cripe

Title: President and Chief Executive Officer

[Signature Page to Affiliation Agreement]

RCHHC:

RADY CHILDREN'S HOSPITAL AND
HEALTH CENTER, a California nonprofit public
benefit corporation

By: 

Name: Patricio A. Frias, M.D.

Title: President and Chief Executive Officer

RCHSD:

RADY CHILDREN'S HOSPITAL – SAN
DIEGO, a California nonprofit public benefit
corporation

By: 

Name: Patricio A. Frias, M.D.

Title: President and Chief Executive Officer

[Signature Page to Affiliation Agreement]

Attachment 2.1(a)

Merger Agreement

Attached.

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this “**Merger Agreement**”) is entered into as of _____, 2024 by and between Children’s HealthCare of California, a California nonprofit public benefit corporation, with California Entity Number 1379759 (the “**Disappearing Entity**”), and Rady Children’s Hospital and Health Center, a California nonprofit public benefit corporation, with California Entity Number 986482 (the “**Surviving Entity**”).

RECITALS

WHEREAS, the Disappearing Entity is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the Surviving Entity is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California;

WHEREAS, the board of directors of the Disappearing Entity and the board of directors of the Surviving Entity deem it advisable and generally to the advantage of both entities that the Disappearing Entity merge with and into the Surviving Entity on the terms and conditions provided herein; and

WHEREAS, the board of directors of the Disappearing Entity and the board of directors of the Surviving Entity have approved and adopted this Agreement in accordance with the applicable provisions of the Nonprofit Public Benefit Corporation Law and General Corporation Law of the State of California (the “**Law**”) and the bylaws of the Disappearing Entity and the Surviving Entity, as evidenced by the officer’s certificates of duly authorized officers of each party attached hereto as Exhibit A.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in this Merger Agreement, the parties hereto agree on the terms and conditions set forth below:

ARTICLE 1 The Merger

1.1 The Merger. In accordance with the provisions of this Merger Agreement and the applicable provisions of the Law, the Disappearing Entity will be merged with and into the Surviving Entity as of the Effective Time (as hereinafter defined) (the “**Merger**”). Following the Effective Time, the identity and separate existence of the Disappearing Entity shall cease, and all of the rights, titles, privileges, powers, franchises, properties and assets of the Disappearing Entity shall be vested in the Surviving Entity without further act or deed, and all debts, liabilities or duties of the Disappearing Entity shall attach to the Surviving Entity and, following the Effective Time, the Surviving Entity shall continue its existence as a nonprofit public benefit corporation, and the identity, rights, titles, privileges, powers, franchises, properties and assets of the Surviving Entity shall continue unaffected and unimpaired by the Merger. The corporate name of the Surviving Entity shall be “Rady Children’s Health”.

1.2 Effective Time. The Merger shall be effected by the filing of this Merger Agreement with the Secretary of State of the State of California, together with the filing of any other documents required to consummate the Merger. The term “Effective Time” shall mean the date and time of the filing of this Merger Agreement.

ARTICLE 2

Articles of Organization; Management

2.1 Articles of Organization. In connection with the Merger, the Articles of Incorporation of the Surviving Entity shall be amended and restated in the form attached hereto as Exhibit B (the “**Articles of Incorporation**”), to be effective from and after the Effective Time.

2.2 Bylaws. In connection with the Merger, the bylaws of the Surviving Entity shall be amended and restated in the form attached hereto as Exhibit C (the “**Bylaws**”), to be effective from and after the Effective Time.

ARTICLE 3

No Membership

Neither the Disappearing Entity nor the Surviving Entity have members prior to the Effective Time. After the Effective Time, the Surviving Entity will not have any members.

ARTICLE 4

Filing of Merger Agreement

This Merger Agreement shall be executed and delivered by the duly authorized officers or representatives on behalf of the Disappearing Entity and the Surviving Entity as required by the Law. As soon as may be practicable thereafter, the Merger Certificate shall be executed and delivered to the Secretary of State of the State of California, for filing and recording in the manner required by the Law.

ARTICLE 5

Further Assurances

If, at any time on and after the Effective Time, the Surviving Entity or its successors and assigns shall consider or be advised that any further assignments or assurances in law or any organizational or other acts are necessary or desirable (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Entity title to and possession of any property or right of the Disappearing Entity acquired or to be acquired by reason of, or as a result of, the Merger, or (b) otherwise to carry out the purposes of the Merger Agreement, the Disappearing Entity shall be deemed to have granted to the Surviving Entity an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such property or rights in the Surviving Entity and otherwise to carry out the purposes of the Merger Agreement; and the members, managers and officers of the Surviving Entity are fully authorized in the name of the Disappearing Entity or otherwise to take any and all such action.

ARTICLE 6

Miscellaneous

6.1 Waiver. Any party, by written instrument signed by any duly authorized officer, may extend the time for the performance of any of the obligations or the other acts of any other party hereto, and may waive compliance with any of the covenants or performance of any of the obligations of the other party contained in this Merger Agreement.

6.2 Governing Law. This Merger Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of laws principles.

6.3 Severability. If any term, condition or other provision of this Merger Agreement is found to be invalid, illegal or incapable of being enforced by virtue of any rule of law, public policy or court determination, all other terms, conditions and provisions of this Merger Agreement shall nevertheless remain in full force and effect.

6.4 Headings. The headings of the several Articles herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Merger Agreement.

6.5 Counterparts. This Merger Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and electronic signatures shall be treated the same as an original signature for purposes of this Merger Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Merger Agreement to be executed by their duly authorized officers as of the date first set forth above.

DISAPPEARING ENTITY:

Children's HealthCare of California,
a California nonprofit public benefit corporation

By:
Name: Kimberly Chavalas Cripe
Title: President & Chief Executive Officer

By:
Name: Jay M. Gabriel
Title: Secretary

SURVIVING ENTITY:

Rady Children's Hospital and Health Center,
a California nonprofit public benefit corporation

By:
Name: Patricio A. Frias, M.D.
Title: President & Chief Executive Officer

By:
Name: Angela M. Vieira
Title: Secretary

EXHIBIT A

**Officer's Certificate
Of
Children's HealthCare of California**
a California nonprofit public benefit corporation

The undersigned do hereby certify:

1. That they are the duly elected and acting President and Chief Executive Officer, and Secretary, respectively, of Children's HealthCare of California, a California nonprofit public benefit corporation, with California Entity Number 1379759 (the "Corporation");
2. That the Agreement of Merger in the form attached and the terms thereof were duly approved by the board of directors of the Corporation by a vote that equaled or exceeded the vote required;
3. That, as of the date hereof, there are no members of the Corporation; and
4. The Attorney General of the State of California has approved the merger.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATED: _____, 2024

By: _____
Name: Kimberly Chavalas Cripe
Title: President and Chief Executive Officer

By: _____
Name: Jay M. Gabriel
Title: Secretary

Officer's Certificate
Of
Rady Children's Hospital and Health Center
a California nonprofit public benefit corporation

The undersigned do hereby certify:

1. That they are the duly elected and acting President and Chief Executive Officer, and Secretary, respectively, of Rady Children's Hospital and Health Center, a California nonprofit public benefit corporation, with California Entity Number 986482 (the "Corporation");
2. That the Agreement of Merger in the form attached and the terms thereof were duly approved by the board of directors of the Corporation by a vote that equaled or exceeded the vote required;
3. That, as of the date hereof, there are no members of the Corporation; and
4. The Attorney General of the State of California has approved the merger.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATED: _____, 2024

By: _____
Name: Patricio A. Frias, M.D.
Title: President and Chief Executive Officer

By: _____
Name: Angela M. Vieira
Title: Secretary

EXHIBIT B
FORM OF ARTICLES OF INCORPORATION

[To be attached.]

EXHIBIT C
FORM OF BYLAWS

[To be attached.]

Attachment 3.1(a)

Amended and Restated Articles of Incorporation of CHOC

Attached.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
CHILDREN’S HOSPITAL OF ORANGE COUNTY**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Children’s Hospital of Orange County, a California nonprofit public benefit corporation (this “Corporation”).
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

FIRST: The name of this Corporation shall be:

[CHILDREN’S HOSPITAL OF ORANGE COUNTY]

SECOND: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

THIRD: This Corporation was organized for charitable purposes under the California General Nonprofit Corporation Law but, and consistent with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has elected to be governed by and subject to the California Nonprofit Public Benefit Corporation Law, including all of the provisions of such law not otherwise applicable to it under Part 5 of said Nonprofit Public Benefit Corporation Law.

FOURTH: The purposes for which this Corporation is formed are:

1. Consistent with Section 501(c)(3) of the Code, to exercise any, all and every power which a nonprofit corporation organized under the provisions of the California Nonprofit Public Benefit Corporation Law for charitable, educational or scientific purposes can be authorized to exercise, but not any other power.
2. To solicit, accept, administer, or apply and use property acquired by gifts, grants, devises, bequests or otherwise in accordance with any of the purposes and objects of the Corporation or as may be specified by the donor of any such property, in accordance with the purposes set forth in this Article; provided, however, that when, in the judgment and discretion of the Board of Directors of the Corporation, the purposes, objects, restrictions or conditions specified in any donations become unobtainable, obsolete, unnecessary, incapable, or not reasonably susceptible of fulfilment, or not in the best interest of advancing the charitable, educational or scientific purposes of this Corporation, the property involved in any such case shall be subject to the general objects and purposes of the Corporation. Consistent with Section 501(c)(3) of the Code, the corporation shall be authorized to do everything necessary, suitable,

convenient, usual or proper for the accomplishment of the purposes herein expressed or incidental thereto.

FIFTH: This Corporation has no capital stock and is not formed for profit. This Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code. This Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, and no substantial part of the activities of this Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation within the meaning of Section 501(c)(3) of the Code. The property of this Corporation is irrevocably dedicated to charitable purposes meeting the requirements for exemption prescribed by Section 214 of the California Revenue and Taxation Code. No part of the property, assets, profits, or net income of the Corporation shall inure to the benefit of any private person, except that this Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

SIXTH: The number of directors of this Corporation shall be provided for in this Corporation's bylaws, in accordance with California Corporations Code Section 5151(a) and (b) or successor statutes.

SEVENTH: Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of this Corporation, the remaining assets shall be distributed to one or more nonprofit corporations which are organized and operated exclusively for charitable purposes meeting the requirements for exemption prescribed by Section 214 of the California Revenue and Taxation Code and which are federally tax-exempt as organizations described in Section 501(c)(3) of the Code at such time.

EIGHTH: The sole member of this Corporation, within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law, is Rady Children's Health, a California nonprofit corporation organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

NINTH: These Articles of Incorporation shall be amended only as provided in this Corporation's bylaws.

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the board of directors of this Corporation.
4. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by this Corporation's sole member, Children's HealthCare of California.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our knowledge:

[Dated: _____, 2024]

Kimberly Chavalas Cripe, President

Jay M. Gabriel, Secretary

Attachment 3.1(b)

Amended and Restated Bylaws of CHOC

Attached.

AMENDED AND RESTATED BYLAWS
OF
[CHILDREN'S HOSPITAL OF ORANGE COUNTY],
doing business as [_____]

[_____, 20__]

AMENDED AND RESTATED BYLAWS
OF
[CHILDREN’S HOSPITAL OF ORANGE COUNTY]

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AMENDED AND RESTATED BYLAWS
OF
[CHILDREN’S HOSPITAL OF ORANGE COUNTY],
doing business as [_____]

These Amended and Restated Bylaws are dated [_____, 20__] (the “Effective Date”) and amend, restate, and supersede in their entirety the Bylaws of CHILDREN’S HOSPITAL OF ORANGE COUNTY doing business as CHOC Children’s Orange dated September 1, 2021.

1. PURPOSES AND POWERS.

1.1 Purposes and Powers.

The principal purposes and powers of [CHILDREN’S HOSPITAL OF ORANGE COUNTY] doing business as [_____] (“Corporation” or “CHOC”) are as set forth in the Articles of Incorporation, as amended from time to time. In furtherance of such purposes and powers and as is consistent therewith, the Corporation’s purposes encompass the provision of comprehensive healthcare to pediatric patients through management and operation of healthcare facilities and programs. The Corporation shall strive to meet these goals through promotion of healthcare within the community, continuing education of health professionals, and continuing medical research.

1.2 Health Care Facilities and Programs.

Without limiting the generality of the foregoing, the purposes of the Corporation include (a) the operation of the general acute care hospital located at 1201 W La Veta Ave, Orange, CA 92868, including the clinics operated as part of the Hospital (collectively, the “Hospital”), and (b) the operation of clinics that are separate from the Hospital, including community clinics, primary care clinics that are not licensed as community clinics, medical research foundation clinics, and other clinics (each, a “Clinic,” and collectively, the “Clinics”).

2. DEFINITIONS.

2.1 “Affiliate” means, when used in connection with a particular entity, any corporation, limited liability company, partnership, joint venture, association, business trust, or similar entity that directly or indirectly controls, is controlled by, or is under common control with, such entity and any successors or assigns of such entity with respect to such entity. For purposes of this definition, “control” means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise.

2.2 “Affiliation Agreement” means that certain Affiliation Agreement dated [] by and among Children’s HealthCare of California, CHOC, Children’s Hospital at Mission, Rady Children’s Hospital and Health Center and Rady Children’s Hospital – San Diego, as such may be amended from time to time.

2.3 “Change of Control” means: (a) any transaction or series of related transactions of an entity (including, without limitation, merger or consolidation, sale, transfer or other disposition of equity, amendment to the articles of incorporation or bylaws or other applicable governing documents of such entity or other contract or arrangement) that results in another entity becoming the beneficial owner of more than fifty percent (50%) of the voting ownership interests of such entity, (b) the sale, lease, transfer, exchange, disposition or change in use of all or substantially all of the property and assets of an entity, (c) the addition or substitution of a corporate member or members that transfers the control of, responsibility for, or governance of the entity; or (d) a joint venture, management arrangement or similar transaction by an entity with another entity that results in the other entity becoming the owner, operator or manager of all or substantially all of the assets of the entity.

2.4 “Emergency” means any of the following events as a result of which, and only as long as, a quorum of the Board cannot be readily convened for action: a disaster called by any County in which the Corporation or its Affiliates does business, or a state of emergency proclaimed by the Governor of California, or by the President of the United States.

2.5 “Subsidiary” or “Subsidiaries” of the Corporation means an entity that, directly or indirectly through one or more intermediaries, is controlled by the Corporation. For purposes of this definition, “control” means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise. Without limiting the generality of the foregoing, “Subsidiary” shall include an entity of which the Corporation is a corporate member and an entity in which the Corporation owns fifty percent (50%) or more of the voting securities.

2.6 “Transition Period” means the period between the Effective Date and the July 1st immediately following the sixth (6th) anniversary of the Effective Date.

3. MEMBERSHIP.

3.1 Member.

(a) The sole member of the Corporation, within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law (the “Law”), entitled to vote shall be Rady Children’s Health, a California nonprofit public benefit corporation (the “Member”). Except as provided in these Bylaws and as is not inconsistent with the Law, the Member shall have and be entitled to exercise fully all rights and privileges of a member of a nonprofit public benefit corporation under the Law and under all other applicable laws. All actions of the Member with respect to this Corporation must be taken consistent and in compliance with the terms of the Bylaws of Rady Children’s Health, dated [●], as such are amended or restated from time to time (the “Member’s Bylaws”).

3.2 Reserved Powers of Member.

(a) Member Reserved Powers. Except as set forth in Section 3.2(b), the Member has exclusive power to take any of the following actions (as specified in the Bylaws of the Member, which may require a Supermajority vote of the Member Board) with respect to the

Corporation or any of its Affiliates without the need to obtain the approval of the Board of Directors of this Corporation (the “Board of Directors” or “Board”), and no attempted exercise of any such powers by anyone other than the Member shall be valid or of any force or effect whatsoever:

(i) Approve material changes to the CHC Capital Plan (as defined in the Affiliation Agreement), but not for changes to the sources or amounts of funding, or other changes due to financial deterioration, which are each subject to the process and approvals set forth in Section 14.4 of the Affiliation Agreement;

(ii) Elect individuals to the Board of Directors in accordance with the nomination and election process set forth in Section 4.4(b);

(iii) Establish, consummate or approve a Change of Control of the Corporation or any of its Affiliates;

(iv) Approve the strategic plans, capital budgets and operating budgets of the Corporation or any of its Affiliates;

(v) Form or approve the formation of a new obligated group amongst the Member, the Corporation and/or any of its Affiliates, or add a new member to an existing obligated group;

(vi) Select the independent auditor that will serve as auditor for the Member, the Corporation and its Affiliates;

(vii) Approve any debt instruments, derivative instruments, the incurrence of debt or lending of money by the Corporation or any of its Affiliates (excluding capital leases or operating leases);

(viii) Approve any capital leases or operating leases by the Company or any of its Affiliates in amounts at or above Five Million Dollars (\$5,000,000);

(ix) Approve a combination of the endowments, investment portfolios, operating cash and/or cash reserves of the Member, the Corporation and/or any of its Affiliates, subject to the restrictions on any such assets; provided, however, no such decision shall result in the Corporation being unable to hold sufficient cash on hand to maintain its ordinary course operations;

(x) Close a licensed hospital owned and operated by the Corporation or any of its Affiliates; and

(xi) Approve any long-term commitment of the Corporation involving a term in excess of fifteen (15) years.

(b) Transition Period Hospital Reserved Powers. The Member has exclusive power to take any of the following actions without the need to obtain the approval of the Board, and no attempted exercise of any such powers by anyone other than the Member shall be valid or

of any force or effect whatsoever; provided, however, that during the Transition Period, the following actions shall also require approval of the Board, it being acknowledged that, unless otherwise indicated in this Section 3.2(b), after the Transition Period the Member has the exclusive power to take any of the following actions without the need to obtain the approval of the Board:

(i) Remove individuals from the Board of Directors with or without cause;

(ii) Remove or appoint a successor CHOC Co-CEO of the Member during the Co-CEO Period (as such terms are defined in the Member's Bylaws);

(iii) Remove or appoint a successor President and Chief Executive Officer of the Corporation or any of its Subsidiaries;

(iv) Make material amendments to the Articles of Incorporation, Bylaws, or other governing documents, as applicable, of the Corporation or any of its Subsidiaries;

(v) Change the corporate structure of the Corporation or any of its Subsidiaries if such change would affect the entity's status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law;

(vi) Change the name of the Corporation or any of its Subsidiaries, subject to the Member's obligations and commitments as set forth in the Affiliation Agreement and any applicable donative instruments or branding plan then existing;

(vii) Approve the Plan for Community Commitment Funds (as such term is defined in the Affiliation Agreement) and any changes thereto, which shall first be approved by the Board and then recommended by the Board to the Member's board of directors for final approval pursuant to Section 4.1(b)(i);

(viii) Approve a re-branding plan of the Corporation or any of its Subsidiaries (individually or as a system), subject to the Affiliation Agreement and any applicable donative instruments then existing;

(ix) Elect to voluntarily dissolve the Corporation or any of its Subsidiaries;

(x) Sell any real property owned by the Corporation or any of its Subsidiaries valued at or above Five Hundred Thousand Dollars (\$500,000);

(xi) Approve the Corporation or any of its Subsidiaries entering into a settlement or consent decree with a governmental or regulatory agency or non-governmental third party if the settlement or consent decree involves an amount at or above Five Million Dollars (\$5,000,000), or contains material conditions regarding operations;

(xii) Approve an unbudgeted transaction or expenditure of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions) if the unbudgeted transaction or expenditure involves an amount at or above Five Million Dollars (\$5,000,000);

(xiii) Approve a donation made directly to the Corporation or any of its Subsidiaries if such donation requires or is conditioned on undertaking any unbudgeted capital or operating expenditure at or above One Million Dollars (\$1,000,000);

(xiv) Sell, dispose of or transfer fixed assets (including equipment) of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions), if the amount of the assets is at or above One Million Dollars (\$1,000,000);

(xv) Sell, dispose of, or transfer invested assets of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions) where such sale, disposition or transfer is not covered by the policies or targets approved by the Member's Investment Committee;

(xvi) Change the mission, vision or values of the Corporation or any of its Subsidiaries;

(xvii) Approve any decision or act which materially impacts an existing affiliation between the University of California and the Corporation or any of its Subsidiaries; provided, however, that any such decision or action shall also require the approval of the Board both during and after the Transition Period;

(xviii) Approve a change to the structure of a medical foundation operated by the Corporation or any of its Subsidiaries in accordance with Section 1206(l) or 1206(g) of the California Health & Safety Code (a "Medical Foundation");

(xix) Approve a material change or modification to a professional services agreement of a Medical Foundation (it being acknowledged that a change in the compensation amount or compensation methodology under a Medical Foundation's professional services agreement shall not constitute a material change); and

(xx) Approve each community benefit plan of the Corporation or any of its Subsidiaries.

(c) Scope of the Member's Rights and Approvals over Affiliates. Notwithstanding anything in this Section 3.2 that may be construed to the contrary, any right of the Member to take action with respect to, or approve an action taken by or with respect to, an Affiliate of the Corporation as set forth in this Section 3.2 may only be exercised by the Member if the Corporation possesses the right to take or approve such action, pursuant to the Affiliate's organizational documents, at the time the Member desires to exercise its right over the Affiliate.

4. BOARD OF DIRECTORS.

4.1 Powers, Authority and Responsibility.

(a) Subject to the provisions of Sections 5110 – 6910 of the California Corporations Code and the provisions in these Bylaws relating to action that may be taken by, or that require the approval of, the Member, the activities and affairs of the Corporation shall be conducted and all the corporate powers shall be exercised by or under the direction of the Board.

(b) Subject to the powers reserved to the Member, and without limiting the generality of Section 4.1(a) above, the Board shall:

(i) Approve the Plan for Community Commitment Funds and any changes thereto, and recommend the Plan for Community Commitment Funds or any changes thereto to the Member's board of directors for final approval.

(ii) Have the ultimate authority and legal responsibility for the safety and quality of care, treatment, and services, consistent with the role of the Medical Staff as provided in Section 7 of these Bylaws;

(iii) Have final authority for granting, renewing, revising, or denying Medical Staff privileges, consistent with the role of the Medical Staff as provided in Section 7 of these Bylaws;

(iv) Approve policy and promote performance improvement;

(v) Provide for organizational management and planning;

(vi) Be responsible for approving the Hospital's scope of services, which shall be defined in writing;

(vii) Nominate individuals to be appointed by the Member to the Board in accordance with Section 4.4(b);

(viii) Nominate individuals to the to be appointed to the board of directors of the Member during the Transition Period in accordance with the Member's Bylaws;

(ix) Provide for coordination and integration among the Hospital's leaders to establish policy, maintain quality of care and patient safety, and provide for necessary resources;

(x) Annually evaluate the Hospital's performance in relation to its vision, mission, and goals;

(xi) Annually recommend to the Member for approval an operating budget that reflects the goals and objectives of the Hospital and the Clinics;

(xii) Recommend to the Member for approval a capital budget for the Hospital and the Clinics; and

(xiii) Provide for short-term and long-term planning for the Hospital and the Clinics.

4.2 Number of Directors.

The authorized number of Directors comprising the Board shall be not less than eleven (11) and not more than seventeen (17), with the exact number of Directors to be fixed from time to time by resolution of the Board.

4.3 Qualifications of Directors.

(a) Except as specifically provided in these Bylaws, no person is eligible to serve as a Director who is, at the time of consideration, an employee of the Corporation or any of its Affiliates. In the event a Director accepts employment by the Corporation or any of its Affiliates, the Director shall be required to resign from the Board. In order to best elicit the perspectives of the communities the Corporation serves, the Board shall also attempt to reflect the diversity of the communities it serves in terms of age, gender, race, color, ethnicity and residence. Additionally, consideration shall be given to any actual or potential conflicts of interest, as defined in the Corporation's Conflict of Interest Policy and Questionnaire, in connection with the selection of any individual to serve as a Director. Notwithstanding the foregoing, any violation of the provisions of this Section 4.3(a) shall not affect the validity or enforceability of any transaction entered into by the Corporation. Directors shall be expected to attend meetings on a regular basis, except they may be excused from time to time with reasonable advance notice to the Secretary of the Board.

(b) The Board shall comprise the following: (i) persons who by reason of their background and experience can reasonably be expected to contribute meaningfully to the governance of the Corporation, and (ii) the CHOC Children's Specialists Director (defined in Section 4.3(c)); provided, however, that no more than twenty percent (20%) of the authorized number of Directors shall be members of the Hospital's Medical Staff.

(c) The CHOC Children's Specialists Director shall be a physician employed by or contracted with Pediatric Subspecialty Faculty, Inc. ("PSF"). PSF shall recommend three (3) such physicians to the Governance and Nominating Committee, which shall nominate a candidate or candidates to be approved by the Board and elected by the Member to serve on the Board in accordance with the procedures set forth in Section 4.4(b). In the event none of the three (3) physicians recommended by PSF are ultimately elected by the Member for any reason, then PSF shall recommend three (3) new physicians to the Governance and Nominating Committee and the process shall be repeated as many times as necessary, until a candidate is elected by the Member in accordance with the procedures set forth in Section 4.4(b) (the "CHOC Children's Specialists Director"). Notwithstanding anything to the contrary set forth in this Section 4.3(c), the CHOC Children's Specialists Director may not be the President or Chair of the Board of PSF, or any similar position prohibited by the safe harbor of Internal Revenue Service Revenue Procedure

2017-13 or any similar legal authority. The CHOC Children's Specialists Director shall be subject to the term limits set forth in Section 4.4(a).

(d) The persons holding the following offices may, for such times as they hold such positions, be invited as guests to meetings of the Board, subject to the provisions of this Section 4.3(d): Chair of the Board of Directors of CHOC Foundation; President of the Medical Staff of the Hospital; Chief of the Medical Staff of Children's Hospital at Mission; and the President of PSF, but only to the extent such attendance shall not cause the Corporation to fail to meet the requirements of Revenue Procedure 2017-13 of the Internal Revenue Service or any similar legal authority. The Board may invite other guests to meetings of the Board from time to time as the Board deems appropriate to do so. The Board may exclude any person who is not a Director from any particular meeting or portion of a meeting when the Board deems it appropriate to do so. Directors shall be expected to attend meetings on a regular basis, except they may be excused from time to time with reasonable advance notice to the Secretary of the Board, subject to Section 4.19.

4.4 Appointment and Term of Office.

(a) Directors of the Corporation shall be elected annually by the Member, based on the nomination(s) provided to the Member by the Board, as described in Section 4.4(b). Each Director shall serve for a term of three (3) years or until his or her successor is appointed; provided, however, that the term of a newly appointed Director may be shortened and called a partial term to the extent necessary to ensure that one-third (1/3) (or as close as possible to one-third) of the Directors' terms will expire each year. Any person who has served three (3) consecutive three (3) year terms as a Director may be reappointed to the Board only following a period of at least twelve (12) months during which that person did not serve as a Director of the Corporation (for these purposes, a partial term that is less than a full three (3) year term shall not be considered).

(b) Prior to the date of the Annual Meeting of the Board (the "Annual Meeting Date"), the Governance and Nominating Committee shall submit to the Board for the Board's approval a list of qualified nominees to fill the positions of any Directors whose terms are scheduled to expire as of the Annual Meeting Date (the "Nomination List"), taking into account the provisions of Section 4.4(c). The number of nominees contained in the Nomination List shall be greater than or equal to the number of Directors to be appointed. In the event that the Board determines that it is in the best interests of the Corporation that additional nominees be considered, the Board shall notify the Governance and Nominating Committee, and the Governance and Nominating Committee shall submit to the Board an additional Nomination List that contains the names of additional nominee(s) for the Directors' positions. Prior to the Member's annual meeting, the Board shall submit to the Member for the Member's approval a list of the approved nominees from the Nomination List (the "Board Approved Nomination List"). In the event that the Member determines that it would not be in the best interests of the Corporation to appoint, from the Board Approved Nomination List, the full number of Directors required to be appointed, the Member shall notify the Board of the number of Directors' positions yet to be filled. In that case, the Board, with input from the Governance and Nominating Committee, shall provide the Member with an additional Board Approved Nomination List that contains the names of additional nominee(s) for the Directors' positions. The Member shall elect the required number of Directors from the Board Approved Nomination List.

(c) Consistent with the requirement set forth in Section 4.3(b) that no more than twenty percent (20%) of the authorized number of Directors shall be members of the Hospital's Medical Staff, the Governance and Nominating Committee shall consider nominating Director candidates who are members of the Hospital's Medical Staff, after having received recommendations as a result of consultation between the President and CEO of the Corporation (the "President and CEO") and the President of the Medical Staff; however, such recommendations will not be binding on the Governance and Nominating Committee nor the Board nor the Member.

(d) During the Transition Period, the CHOC Directors (as such term is defined in the Member's Bylaws) who serve on the Member's board of directors during the Transition Period shall be nominated and elected in accordance with this Section 4.4(d). Prior to the Annual Meeting Date, the Governance and Nominating Committee shall submit to the Board for the Board's approval a list of qualified nominees to fill the positions of the CHOC Directors whose terms will expire and such other vacancies of CHOC Directors which have not previously been filled (the "CHOC Director Nomination List"). The number of nominees contained in the CHOC Director Nomination List shall be greater than or equal to the number of Directors to be appointed. In the event that the Board determines that it is in the best interests of the Corporation that additional nominees be considered, the Board shall notify the Governance and Nominating Committee, and the Governance and Nominating Committee shall submit to the Board an additional CHOC Director Nomination List that contains the names of additional nominee(s) for the CHOC Director positions. At least sixty (60) days before the Member's annual meeting, the Board shall submit to the Member for the Member's approval a list of the approved nominees from the CHOC Director Nomination List (the "Board Approved CHOC Director Nomination List"). In the event that the Member does not appoint, from the Board Approved CHOC Director Nomination List, the full number of CHOC Directors required to be appointed, the Member shall notify the Board of the number of CHOC Directors' positions yet to be filled. In that case, the Board, with input from the Governance and Nominating Committee, shall provide the Member with an additional Board Approved CHOC Director Nomination List that contains the names of additional nominee(s) for the CHOC Directors' positions. The Member shall elect the required number of CHOC Directors from the Board Approved CHOC Director Nomination List.

4.5 Vacancies.

(a) Any vacancy in the Board, as described below, may be filled by the vote of a majority of the remaining Directors, subject to ratification by the Member, even if the number of remaining Directors is less than a quorum, or by a sole remaining Director. Each newly elected Director shall hold office until his or her successor takes office.

(b) A vacancy or vacancies on the Board shall be deemed to exist in case of the death, disability, resignation, or removal of any Director, or if the Member fails to elect the required number of Directors, in accordance with Section 4.4.

(c) If the Board accepts the resignation of a Director intended to take effect at a future time, the Board shall have the power to elect a successor to take office when the resignation shall become effective.

(d) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

(e) Notwithstanding anything to the contrary set forth in this Section 4.5, a vacancy in the CHOC Children's Specialists Director position shall be filled only as described in Section 4.3(c) of these Bylaws.

4.6 Place of Meeting.

Regular meetings of the Board shall be held at any place within or outside the State which has been designated from time to time by resolution of the Board or by written consent of all of the Directors. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

4.7 Annual Organizational and Other Regular Meetings.

The Board shall hold an annual meeting for the purpose of organization, election of officers and the transaction of other business which shall be in advance of the Member's annual meeting. Regular meetings of the Board (including the annual meeting) shall be held at least four (4) times during the period between each annual meeting of the Board (the "Board Year"), at such times as the Board may from time to time determine. The Board shall not be required to give prior notice of the annual meeting or of any other regular meeting, if the time and place of such meeting are fixed by a resolution of the Board. Any notice of the annual meeting or of any other regular meeting may be given in the manner described in Section 4.9.

4.8 Special Meetings.

Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board, the President and CEO, or by any three (3) Directors. The notice of the special meeting need not specify the purpose of the meeting.

4.9 Notice of Special Meetings.

(a) Notice of the time and place of special meetings shall be given to each Director by (i) personal delivery of written notice; (ii) first-class mail, postage prepaid; (iii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who could reasonably be expected to communicate that notice promptly to the Director; or (iv) electronic transmission by the Corporation as defined by Section 20 of the California Corporations Code. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

(b) Notice of special meetings sent by first-class mail shall be deposited in the United States mail at least four (4) days before the date set for the meeting. Notices given by personal delivery, telephone, or by electronic transmission by the Corporation shall be delivered, telephoned, or sent, respectively, at least forty-eight (48) hours before the time set for the meeting.

4.10 Quorum.

A majority of the Directors then in office shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board, unless a greater number is required by law or by the Articles of Incorporation or by these Bylaws.

4.11 Waiver of Notice.

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, (i) no Director present properly objects to the adequacy of notice and call, and (ii) either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

4.12 Adjournment.

A quorum of the Directors may adjourn any meeting of the Board, either regular or special, to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

4.13 Notice of Adjournment.

If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

4.14 Action Without Meeting.

Any action by the Board may be taken without a meeting, if all Directors, individually or collectively, consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “in writing” and “written” include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof; or (3) other means of electronic communication.

4.15 Participation by Telephone or Electronic Means.

Directors may participate in a meeting through the use of conference telephone, electronic video screen communication, or electronic transmission by and to the Corporation pursuant to Section 5211(a) of the California Nonprofit Corporation Law. Participation in a meeting through use of conference telephone or electronic video screen communication constitutes attendance in person, so long as all participating Directors can hear one another. Participation in a meeting through use of electronic transmission by and to the Corporation, other than conference telephone and electronic video screen communication constitutes attendance in person at such meeting, so long as all participating Directors can communicate with all of the other Directors concurrently and each Director is able to participate in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

4.16 Fees and Compensation.

Directors shall not receive any stated salary or any other fees or compensation for their services as Directors or on any committee.

4.17 Self-Dealing Transactions; Conflicts of Interest.

(a) In accordance with Section 5233 of the California Nonprofit Corporation Law, the Corporation shall not be a party to a transaction in which one or more of its Directors has a “material financial interest” within the meaning of said Section 5233 (each, an “Interested Director”) unless:

(i) The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(ii) Prior to entering into the transaction, after full disclosure to the Board of all material facts as to the proposed transaction and the Interested Director’s interest and investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(iii) Resolves and finds that (1) the transaction is in the Corporation’s best interests and for the Corporation’s own benefit, (2) the transaction is fair and reasonable as to the Corporation, and (3) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(iv) Approves the entire transaction; or

(v) If it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, and, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in paragraph (a)(ii) of this Section; and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next

meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director.

(b) Conflicts of Interest.

(i) The Board shall adopt a statement of policy concerning Directors with any possible conflict of interest. This statement of policy shall be reviewed periodically and updated where necessary or appropriate to the end that Directors of the Corporation shall handle matters relating to conflicts of interest in a manner which will satisfy appropriate legal and ethical standards. Any Director, officer, key employee, or committee member having an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt, full, and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the Corporation's interest.

(ii) The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to, such contract or transaction. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

(iii) The Board may adopt conflict of interest policies requiring:

(1) regular annual statements from directors, officers, key employees and key members of the Medical Staff that disclose existing and potential conflicts of interest; and

(2) corrective and disciplinary actions with respect to transgressions of such policies.

4.18 Emergency Action. In anticipation of or during an Emergency, the Board may: (i) modify lines of succession to accommodate the incapacity of any Director, officer, employee, or agent resulting from the Emergency; (ii) relocate the principal office or authorize the officers to do so; (iii) give notice to a Director or Directors in any practicable manner under the circumstances; and (iv) deem that one or more officers present at a board meeting is a Director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. In anticipation of or during an Emergency, the Board may not take any action that requires the vote of the Member by state law or otherwise is not the Corporation's ordinary course of business. Any actions taken in good faith under this Section 4.18 may not be used to impose liability on a Director, officer, employee, or agent.

4.19 Removal and Resignation.

(a) Any Director may be removed, either with or without cause, in accordance with Section 3.2**Error! Reference source not found.**

(b) The Secretary shall bring to the attention of the Board and the Member, and the Member (and the Board, during the Transition Period) shall consider whether or not to remove, any Director who is absent in any year:

(1) from more than two (2) Board meetings, if such absences have not been excused by the Board; or

(2) from more than three (3) Board meetings, whether or not such absences have been excused by the Board.

(c) Any Director may resign at any time by giving written notice to the Board, to the Chair of the Board, to the President and CEO, or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.20 Proxies.

No Director shall have the right to vote by proxy on any matter.

4.21 Liability of Directors.

No Director of the Corporation, now or hereafter elected, shall be liable for any debt, liability, or obligation of the Corporation.

5. COMMITTEES.

5.1 Types of Committees.

The committees of the Corporation shall consist of Board Committees (as defined in Section 5.2 of these Bylaws) and Advisory Committees (as defined in Section 5.3 of these Bylaws). Board Committees shall include those committees identified in Section 5.2 and such other Board Committees as may be appointed by the Board in accordance with Section 5.2. Advisory Committees shall include those committees identified in Section 5.3 and such other Advisory Committees as may be appointed by the Board in accordance with Section 5.3. All committees shall be Advisory Committees unless specifically designated as a Board Committee in these Bylaws or by the Board in accordance with Section 5.2.

5.2 Committees Empowered to Act for the Board.

(a) The Board may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one or more Board Committees, in addition to those Board Committees authorized by these Bylaws, each consisting of two or more

Directors. Appointments to such committees shall be by a majority vote of the number of Directors authorized pursuant to these Bylaws. A “Board Committee” is a committee of the Board that, to the extent provided in the resolution of the Board or in these Bylaws, has the authority of the Board, except that a Board Committee may not have the Board’s authority with respect to:

(1) The approval of any action for which the California Nonprofit Public Benefit Corporation Law or these Bylaws also requires approval of the Member;

(2) The filling of vacancies on the Board or on any committee which has the authority of the Board;

(3) The fixing of compensation of the Directors for serving on the Board or on any committee;

(4) The amendment or repeal of these Bylaws or the adoption of new Bylaws;

(5) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(6) The appointment of committees of the Board or the members thereof;

(7) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(8) The approval of any self-dealing transaction except as provided in paragraph (3) of subdivision (d) of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

(b) The regular and special meetings of a Board Committee shall be governed by the provisions of Section 4 above applicable to meetings and actions of the Board unless otherwise provided in the Articles of Incorporation or in these Bylaws.

(c) Only members of the Board shall be eligible to be members of a Board Committee. If any member of a Board Committee ceases for any reason to be a member of the Board, such person’s status as a member of any Board Committee shall cease automatically and concurrently therewith.

(d) The Board may delegate to a Board Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except as set forth in Section 5.2(a) of these Bylaws; provided, however, that the delegation of authority to a Board Committee shall not operate to relieve the Board or any individual Director of any responsibility imposed on it, him or her by law, by the Articles of Incorporation, or by these Bylaws.

(e) The Board Committees of the Corporation shall consist of an Executive Committee, as provided in these Bylaws, and such other Board Committees as may be established from time to time by the Board in accordance with this Section 5.2.

5.3 Advisory Committees.

(a) The Board or the Chair of the Board may create one or more Advisory Committees, in addition to those Advisory Committees authorized by these Bylaws, each consisting of two or more persons. Advisory Committees may be comprised of Directors only, Directors and non-Directors, or non-Directors only, and also may include non-voting members and alternate members. The chair and members of Advisory Committees shall be appointed by the Board for Advisory Committees created by the Board, and by the Chair of the Board for Advisory Committees created by the Chair of the Board. An “Advisory Committee” is a committee that serves in an advisory capacity to the Board and/or the President and CEO, and shall have such authority as is conferred by these Bylaws or by the Board, except that any authority of an Advisory Committee shall be subordinate to that of the Board, and no Advisory Committee may have or exercise the authority of the Board. Advisory Committees may include special committees or ad hoc committees, and upon completion of the task for which it was created, each special committee or ad hoc committee shall be discharged. The chair and each member of each special committee or ad hoc committee shall serve for the life of the committee unless they are appointed for a term or sooner removed, resign, or cease to qualify as a chair or member, as the case may be, of such committee. Advisory Committees shall report their findings and recommendations to the Board and/or the President and CEO, as appropriate.

(b) The Advisory Committees of the Corporation shall consist of a Governance and Nominating Committee, a Joint Conference Committee, a Quality Committee, and such other Advisory Committees as may be established from time to time in accordance with this Section 5.3.

5.4 Executive Committee.

(a) There shall be an Executive Committee, which shall be composed of the following:

- (i) the Chair of the Board, who shall act as chair;
- (ii) the Vice Chair;
- (iii) a minimum of one Director of the Corporation recommended by the Chair of the Board and approved by the Board of Directors;
- (iv) the Secretary (unless the Secretary is also an employee of the Corporation or its Affiliates); and
- (v) a Director who is also on the Member’s Board of Directors; provided, however, that during the Transition Period this individual shall be a CHOC Director (as such term is defined in the Member’s Bylaws).

In the event that any particular individual occupies more than one of the positions identified above, the Committee membership shall be considered to be complete without the appointment of any additional individuals to fill any such position. For example, if one individual occupies two of such positions, the Committee shall function with four (4) members rather than with five (5). In the event that the Secretary is an employee of the Corporation or its Affiliates, the Committee shall be considered to be complete without the appointment of any individuals to fill such position.

(b) Subject to the powers reserved to the Member or to the full Board, the Executive Committee shall act for the Board between meetings when the interests of the Corporation require action prior to the next scheduled meeting of the Board and calling a special meeting of the Board would not be practicable. The Executive Committee also shall confer with and provide advice to the President and CEO upon request by the President and CEO, and the Executive Committee shall undertake special projects as directed by the Board.

(c) The Executive Committee shall provide information to the Board regarding enterprise master planning, strategic planning relating to the Hospital and the Clinics, and such related matters as may be requested by the Board from time to time. The Executive Committee shall meet and review progress on the strategic plan as needed.

(d) The Executive Committee shall have such other authority as may be delegated to it by the Board. The Executive Committee shall meet at least one (1) time during the Board Year.

5.5 Governance and Nominating Committee.

(a) The Governance and Nominating Committee shall be composed of at least four (4) Directors, one of whom shall be designated as chair of the Governance and Nominating Committee. The Governance and Nominating Committee shall:

- (i) nominate Directors as required by Section 4.4(b) of these Bylaws;
- (ii) during the Transition Period, nominate individuals to the Member's Board of Directors in accordance with the process set forth in Section 4.4(d) of these Bylaws;
- (iii) steward, seek and promote diversity on the Board and report regularly to the Board on diversity efforts including without limitation demographics, skillsets and competencies;
- (iv) nominate officers for approval in accordance with Section 6.2;
- (v) provide for succession planning for volunteer officers and members of the Board;
- (vi) review the Bylaws of the Corporation as needed and submit to the Board reports based on its review, including any recommendations for changes to the Bylaws;

(vii) oversee the periodic review of the performance of the members of the Board both individually and collectively; and

(viii) have such other duties as may be assigned to it by the Board.

(b) The Governance and Nominating Committee shall meet as frequently as needed, but no less often than two (2) times during the Board Year.

5.6 Joint Conference Committee.

(a) The Joint Conference Committee shall be composed of eight (8) members, of which four (4) shall be members of the Board, and four (4) shall be members of the Medical Staff of the Hospital. The Board members shall be the Chair of the Board, the Vice Chair, the Secretary (unless the Secretary is also an employee of the Corporation or its Affiliates, in which case a Director of the Corporation shall be appointed by recommendation of the Chair of the Board and approval by the Board of the Corporation), and an additional Director of the Corporation appointed by recommendation of the Chair of the Board and approval by the Board of the Corporation. The Medical Staff members shall be the President of the Medical Staff, President-Elect of the Medical Staff, Secretary of the Medical Staff, and Immediate Past President of the Medical Staff. The CMO shall attend meetings of the Joint Conference Committee as a resource person, but shall not have voting rights. The chair of the Joint Conference Committee shall alternate on a calendar year basis, being designated by the Chair of the Board to serve in even-numbered years and by the President of the Medical Staff to serve in odd-numbered years.

(b) The Joint Conference Committee shall serve as a formal means of liaison between the Board and the Medical Staff. The Joint Conference Committee shall conduct itself as a forum for the discussion of pertinent actions taken or contemplated by the Board or the Medical Staff, with particular emphasis on actions pertaining to the provision of efficient and effective patient care.

(c) The Joint Conference Committee shall review and provide recommendations with regard to differences of opinion or judgment between the Board and the Medical Staff which are referred by the Board or by the Medical Executive Committee.

(d) The Joint Conference Committee shall meet on an as needed basis and shall transmit written reports of its activities to the Medical Executive Committee and to the Board.

5.7 Quality Committee.

(a) There shall be a Quality Committee, which shall be composed of Directors, the CMO, Medical Staff members and such other persons as determined and appointed by the Board or by the Chair of the Board.

(b) The Quality Committee shall provide oversight and direction to ensure organizational focus and advancement of clinical outcomes, patient safety initiatives, and service excellence. Key measures of performance on the Scorecard shall be used by the Quality Committee to monitor the results of process and outcome improvement initiatives, and to drive organizational performance to best practice levels. Responsibilities of the Quality Committee

include ensuring that applicable regulatory requirements related to quality and patient safety are met.

(c) The Quality Committee shall meet as needed, but no less often than semi-annually.

5.8 Committee Procedures.

(a) Vacancies.

Vacancies on any Committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

(b) Meetings; Quorum.

(i) Each Board Committee shall meet as often as is necessary to perform its duties at such times and places as directed by its chair or by the Board. Committee members may participate by conference telephone or other communications equipment, as provided in Section 4.15, above. Any member of a committee shall be considered a voting member of the committee unless such individual has been designated as a non-voting member of the committee in accordance with these Bylaws. All committees shall keep minutes of their proceedings and actions and shall report periodically to the Board.

(ii) The act of a majority of those committee members who are present at a meeting at which a quorum exists shall be the act of the committee. For each Board Committee, a majority of the voting members then in office shall constitute a quorum. For each Advisory Committee, the members who are present at a meeting shall constitute a quorum.

(c) Expenditures.

Any expenditure of corporate funds by a committee shall require prior approval of the Board.

(d) Action Without Meeting.

Any action by a committee may be taken without a meeting if all voting members of the committee shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the committee.

(e) Removal and Resignation of Committee Members.

Any member of a committee may resign at any time by giving written notice to the chair of the committee or to the Secretary of the Corporation. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified in said notice. Any member of a committee, except an ex officio member of such committee, may be removed at any time by a resolution adopted by a majority of the

Directors then in office. Any ex officio member of a committee shall cease to be such if he or she shall cease to hold the designated position which is the basis of ex officio membership.

(f) Committee Chair.

The chair and each member of each committee established pursuant to these Bylaws shall serve until the next annual election of Directors or until his or her successor is appointed, or until such committee is sooner terminated, or until such person ceases to qualify as a chair or member, as the case may be, of the committee.

6. OFFICERS.

6.1 Officers.

The officers of the Corporation shall be a Chair of the Board, a Vice Chair, a President and CEO, a COO, a CFO, a Secretary, and an Assistant Secretary. The Corporation may also have, at the discretion of the Board, such other officers as may be appointed in accordance with the Bylaws. The officers shall be subject to the rights, if any, of any officer under contract of employment. One person may hold two or more offices, except that neither the Secretary, nor the CFO may serve concurrently as President and CEO or as Chair of the Board.

6.2 Election.

(a) The President and CEO shall be elected by the Member annually or from time to time as determined necessary by the Member; provided, however, (i) during the Transition Period, election of the President and CEO shall also require approval of the Board, and (ii) the Corporation may obtain from the Member the services of the President and CEO pursuant to an agreement between the Corporation and the Member for as long as any such agreement remains in effect (an “Executive Management Agreement”). The President and CEO shall hold office until he or she shall resign, be removed or otherwise be disqualified to serve, or his or her successor be elected and qualified.

(b) Except for the President and CEO, the officers of the Corporation shall be elected by the Board annually or from time to time as determined necessary by the Board; provided, however, (i) the Corporation may obtain from the Member the services of the COO and the CFO of the Corporation pursuant to an Executive Management Agreement, so long as such an agreement shall remain in effect, (ii) the COO shall be appointed by the President and CEO of the Corporation if an Executive Management Agreement is not in effect, (iii) the CFO shall be appointed by the President and CEO of the Corporation if an Executive Management Agreement is not in effect, (iv) the Secretary shall be appointed according to Section 6.11 and (v) the Assistant Secretary shall be appointed in accordance with Section 6.12. Each officer shall hold office until he or she shall resign, be removed or otherwise be disqualified to serve, or his or her successor be elected and qualified.

6.3 Subordinate Officers.

The Board may elect, and may empower the President and CEO to appoint, such other officers as the affairs of the Corporation may require, each of whom shall hold office for

such period, have such authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

6.4 Removal and Resignation of Officers.

(a) Subject to Section 6.4(d), except for the President and CEO, any officer may be removed, either with or without cause, by the Board, at any regular or special meeting thereof, or, except in case of a non-employee officer chosen by the Board (i.e. the Chair, the Vice Chair or the Secretary when the latter is not an employee of the Corporation), by the President and CEO.

(b) Subject to Section 6.4(d), the President and CEO may be removed, either with or without cause, by the Member; provided, however, the removal of the President and CEO during the Transition Period shall also require the approval of the Board.

(c) Subject to Section 6.4(d), any officer may resign at any time by giving written notice to the Board, to the Chair of the Board, to the President and CEO, or to the Secretary of the Corporation; any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(d) The removal or resignation of the President and CEO, COO, or CFO, shall be subject to any applicable terms and conditions set forth in an Executive Management Agreement, so long as such agreement is in effect, and any applicable terms and conditions set forth in any employment agreement or policy between the Member and the President and CEO, the Member and the COO, or the Member and the CFO, as applicable. The removal or resignation of any other officer employed by the Corporation shall be subject to any applicable terms set forth in any employment agreement or policy between the Corporation and such officer.

6.5 Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular elections or appointments to such office.

6.6 Chair of the Board.

The Chair of the Board shall be elected from among the Directors. The Chair of the Board shall preside at all meetings of the Board. The Chair of the Board shall be a member of all Board Committees and may be a member of any Advisory Committee. The Chair of the Board shall have the general powers and duties usually vested in the office of chair of the board of a corporation, and shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

6.7 Vice Chair.

The Vice Chair shall be elected from among the Directors. In the absence of the Chair, the Vice Chair shall preside at a meeting of the Board. In the event that both the Chair and the Vice Chair are absent from a meeting, the Board shall appoint a chair of the meeting from

among the other Directors. The Vice Chair shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

6.8 President and Chief Executive Officer.

(a) The President and CEO shall be appointed as prescribed in Section 6.2 of these Bylaws. The President and CEO shall be qualified for the position by education and experience. The President and CEO shall have the necessary authority and be held responsible for the supervision and management of the Corporation and its affairs, subject only to such policies as may be adopted and such orders as may be issued by the Board or any of the Board's committees to which it has delegated power for such action. The President and CEO shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Corporation. The President and CEO shall have the authority to act as the duly authorized representative of the Board in all matters in which the Board has not formally designated another person to act on its behalf. The President and CEO shall be an invited guest to all Board meetings, Board Committee meetings and Advisory Committee meetings; provided, however, the Board, Board Committee or Advisory Committee may exclude the President and CEO from any particular meeting or portion of a meeting if it deems it appropriate to do so. The President and CEO shall be the chief executive officer of the Corporation, and his or her title shall be "President and Chief Executive Officer," although he or she also may be referred to as "President." The President and CEO shall have the general powers and duties usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board, by the Bylaws or in an Executive Management Agreement.

(b) The President and CEO shall appoint a physician licensed under California law to serve as the Hospital's CMO, which shall be a Hospital management position. The President and CEO shall prescribe the duties of the CMO. The CMO shall report to the President and CEO and shall not be considered a corporate officer. The President and CEO from time to time may establish additional Hospital and/or Clinics management positions, the functions of which shall be prescribed by the President and CEO. The President and CEO may specify that the title or titles of executive vice president, senior vice president, vice president, or other similar title shall be given to the individuals appointed to fill such positions, but such individuals shall not be considered corporate officers. The President and CEO shall appoint and hire the individuals to fill such positions and may remove such individuals from such positions.

6.9 Chief Operating Officer.

(a) The COO shall be appointed as prescribed by Section 6.2 of these Bylaws. The COO shall be qualified for the position by education and experience.

(b) The COO shall be hired and may be removed by the President and CEO. The COO shall report to the President and CEO, and subject to the supervision of the President and CEO shall oversee the planning, direction, and management of all patient care areas of the Hospital and of the Clinics and related programs offered by the Hospital and the Clinics, as well as ancillary services and general support services related to the Hospital and the Clinics. The COO shall assist the President and CEO in other activities and initiatives as requested by the President and CEO.

6.10 Chief Financial Officer.

(a) The CFO shall be appointed as prescribed in Section 6.2 of these Bylaws. The CFO shall be qualified for the position by education and experience.

(b) The CFO shall be hired and may be removed by the President and CEO. The CFO shall report to the President and CEO, and subject to the supervision of the President and CEO shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all reasonable times be open to inspection by any Director.

(c) The CFO shall ensure that all moneys and other valuables are deposited in the name and to the credit of the Corporation with such depositaries as may be authorized by the Board. The CFO shall ensure that the funds of the Corporation are disbursed in accordance with the policies and directions of the Board, shall report to the Board regarding the financial condition of the Corporation and regarding related financial matters at each regularly scheduled meeting of the Board, and shall meet with the Member's Board of Directors (or designated committee) to discuss such matters at each of its meetings.

6.11 Secretary.

(a) The Secretary may be a member of the Board or an employee of the Corporation. The Secretary shall be qualified for the position by education and experience. If the Secretary is an employee of the Corporation, then the Secretary may be hired and removed by the President and CEO.

(b) The Secretary shall keep or cause to be kept at the principal office the original copy of the Corporation's Articles of Incorporation and minutes of all meetings of Directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof.

(c) The Secretary shall give, or cause to be given, notice of all the meetings of the Board required by the Bylaws or by law to be given, shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws.

6.12 Assistant Secretary.

(a) The President and CEO of the Corporation shall appoint the Assistant Secretary, subject to the approval of the Board. The Assistant Secretary shall be qualified for the position by education and experience. If the Assistant Secretary is an employee of the Corporation, then the Assistant Secretary may be hired and removed by the President and CEO.

(b) In the absence of the Secretary and if the Secretary is not readily available, the Assistant Secretary shall have the power to sign for and on behalf of the Corporation any

document, instrument, or other item that the Secretary is authorized to sign. The Assistant Secretary shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

7. MEDICAL STAFF.

7.1 Organization.

The Hospital shall have a single, organized medical staff (the “Medical Staff”) whose membership shall be comprised of all physicians, dentists, psychologists, and podiatrists competent in their respective fields, worthy in character and in professional ethics, who have been granted privileges to attend patients in the Hospital or at any of the Clinics. The Medical Staff shall provide oversight of care, treatment, and services provided by practitioners with privileges, and shall provide for an appropriate standard of quality patient care, treatment, and services. The Medical Staff shall be self-governing with respect to the professional work performed in the hospital and as provided by law; shall be organized in a manner approved by the Board; and shall report to and be accountable to the Board. The Medical Staff shall have periodic meetings at regular intervals to review and analyze their clinical experience, and complete and accurate patient medical records shall be the basis for such review and analysis.

7.2 Medical Staff Bylaws, Rules and Regulations.

The Medical Staff shall develop, adopt, and comply with bylaws for the Medical Staffs internal governance, which bylaws shall become effective upon approval by the Board (the “Medical Staff Bylaws”). The Medical Staff may adopt rules and regulations pursuant to the Medical Staff Bylaws, and such rules and regulations become effective when approved by the Board (the “Rules and Regulations”). The Medical Staff Bylaws, Rules and Regulations shall be consistent with applicable law; accreditation standards, if the Hospital seeks accreditation; applicable Hospital policy, and the Articles of Incorporation and Bylaws of this Corporation. Amendments to the Medical Staff Bylaws, Rules and Regulations shall be effective only upon adoption by the Medical Staff and approval by the Board.

7.3 Officers and Medical Executive Committee.

The Medical Staff Bylaws shall provide for the election of officers and the creation of a medical staff executive committee (“Medical Executive Committee”) to carry out Medical Staff responsibilities. The President and CEO of the Hospital or his or her designee may attend each Medical Executive Committee meeting.

7.4 Medical Staff Membership, Clinical Privileges, and Action by the Board.

(a) The Medical Staff Bylaws shall define the criteria and qualifications for appointment and reappointment to the Medical Staff and for the delineation of privileges, including a description of the credentialing process, the privileging process, and the process for appointment to membership on the Medical Staff. The Medical Staff Bylaws also shall describe the mechanism to perform investigations and to recommend terminations, suspensions, and reductions in privileges, as well as the indications for automatic suspension or summary suspension of a practitioner’s Medical Staff membership or privileges and related procedures. Additionally, the Medical Staff Bylaws shall describe the mechanism for a fair hearing and appeal process. The

Medical Staff Bylaws shall include provisions for the Medical Staff to adopt and forward to the Board specific written recommendations on all matters of Medical Staff membership status, clinical privileges and corrective action, and to support and document its recommendations in a manner that will allow the Board to take informed action. Final action on all such matters shall be taken by the Board after considering Medical Staff recommendations; provided, however, that the Board shall act without a Medical Staff recommendation if the Board has a reasonable and good faith belief that the Medical Staff has failed to fulfill its responsibilities.

(b) In acting on matters of Medical Staff membership status, the Board shall consider the Medical Staff's recommendations, the supporting information on which they are based, the Corporation's and the community's needs, and such other criteria as are set forth in the Medical Staff Bylaws, which, at a minimum, shall include the individual's character, competence, training, experience, and judgment. No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, religion, age, creed, color, national origin, sexual orientation, any physical or mental impairment that does not pose a threat to the quality of patient care, or on the basis of any other criterion that is not related to patient care at the Hospital or at any of the Clinics; the member's professional ability, conduct, ethics, and judgment; or the community's needs. Further, no aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of whether the practitioner holds an M.D., D.O., or D.P.M. degree; wherever staffing requirements for a service mandate that the physician responsible for the service be certified or eligible for certification by an appropriate American medical board, such position may be filled by an osteopathic physician who is certified or eligible for certification by the equivalent appropriate American Osteopathic Board.

7.5 Allied Health Professionals.

The Board shall have the authority to determine what categories of allied health professionals ("AHP") may perform services at the Hospital. The Medical Staff has the responsibility and authority to evaluate each AHP application for service authorization and shall make recommendations to the Board regarding such matters. After considering the Medical Staff recommendation, the Board shall take final action on all matters relating to the granting, denying, terminating, or limiting of an AHP's service authorization, provided that the Board may act without a Medical Staff recommendation if the Board has a reasonable and good faith belief that the Medical Staff has failed to fulfill its responsibilities. The hearing procedures set forth in the Medical Staff Bylaws shall not apply to AHPs, unless otherwise provided in the Medical Staff Bylaws or required by law.

7.6 Conflict.

In the event of a conflict between the Medical Staff Bylaws and these Bylaws, these Bylaws shall control.

8. MISCELLANEOUS.

8.1 Indemnification of Directors, Officers and Others.

(a) To the full extent permitted by law and in the manner described in this Section 8.1 and as provided by law, the Corporation shall indemnify any person who was or is a

party to or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (collectively, "Proceeding"), by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise; provided, however, that except as provided in Section 8.1(c), any indemnification under this Section 8.1 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the person is proper in the circumstances because such person has met the applicable standard of conduct set forth in California Corporations Code Sections 5238(b) or (c) by: (i) a majority vote of a quorum consisting of Directors who are not parties to such proceeding; (ii) approval of the Member with the person(s) to be indemnified not being entitled to vote thereon; or (iii) the court in which such proceeding is or was pending in accordance with California Corporations Code Section 5238(e).

(b) The Corporation shall pay expenses, including attorneys' fees, incurred by a person seeking indemnification under Section 8.1(a) in defending any proceeding referred to in this Section 8.1 in advance of the final disposition of such proceeding as authorized by the Board in the specific case and as permitted by law, upon receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

(c) To the extent that a person seeking indemnification under Section 8.1(a) of these Bylaws has been successful on the merits in defense of any Proceeding referred to in Section 8.1(a) or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith, in accordance with California Corporations Code Section 5238(d).

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against any liability asserted against or incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would be required or would have the power to indemnify such person against such liability under this Section 8.1 or otherwise.

8.2 Checks, Drafts, and Notes.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

8.3 Execution of Contracts and Other Instruments.

The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name

of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.4 Certain Tax Matters. In no case shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Code. Further, if at any time the Parent is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time, no payment shall be made under this Article if such payment should constitute an act of self-dealing or a taxable expenditure as defined in Section 4941(d) or Section 4945(d), respectively, of the Code. Moreover, the Parent shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Section 4958 of the Code or any other provision of the Code applicable to corporations described in Section 501(c)(3) of the Code.

8.5 Representation of Shares of Other Corporations.

The President and CEO of the Corporation, or his or her delegee, and certain designated Executive and Senior Vice-Presidents, the Secretary, or the CFO is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted to said officers to vote or represent on behalf of the Corporation any and all shares held by the Corporation in any other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officers.

8.6 Offices.

The principal office for the transaction of the business of the Corporation in California is hereby fixed and located within the County of Orange, State of California, at 1201 West La Veta Avenue, Orange, California 92868. The Board is hereby granted full power and authority to change the principal office from one location to another in Orange County. Branch or subordinate offices may be established at any time by the Board at any place or places where the Corporation is qualified to do business.

8.7 Annual Report.

Not later than 120 days after the close of the Corporation's fiscal year, the Board shall cause an annual report to be sent to the Member and to the Directors of the Corporation. Such report shall contain in appropriate detail the following, without limitation:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

(e) The information concerning transactions by Directors, officers and other interested persons with the Corporation, or indemnification of such persons by the Corporation, required by Section 6322 of the California Nonprofit Public Benefit Corporation Law.

8.8 Inspection of Corporate Records.

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind of the Corporation, including accounting books and records, except as may be prohibited by privacy or confidentiality rights or requirements applicable to patients, members of the Medical Staff, or employees.

8.9 Rules of Construction. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

9. AMENDMENT OF BYLAWS.

9.1 Amendments.

New Bylaws of the Corporation may be adopted or the Bylaws of the Corporation may be amended or repealed by the Member; provided, however, during the Transition Period, the adoption of new Bylaws of the Corporation or the amended or repeal of the Bylaws of the Corporation shall also require approval of the Board.

CERTIFICATE OE SECRETARY OF [CHILDREN’S HOSPITAL OF ORANGE COUNTY]

I, the undersigned, certify that I am the duly elected and acting Secretary of [CHILDREN’S HOSPITAL OF ORANGE COUNTY], and that the foregoing Amended and Restated Bylaws were duly adopted by the Board of Directors of [Children’s Hospital of Orange County], to be effective as of [_____, 20__].

Jay M. Gabriel, Secretary
[Children’s Hospital of Orange County]

CERTIFICATE OE SECRETARY OF RADY CHILDREN’S HEALTH

I, the undersigned, certify that I am the duly elected and acting Secretary of RADY CHILDREN’S HEALTH, and that the foregoing Amended and Restated Bylaws were duly adopted by the Board of Directors of Rady Children’s Health, to be effective as of [_____, 20__].

[_____] , Secretary
Rady Children’s Health

Attachment 3.2(a)

Amended and Restated Articles of Incorporation of CHOC at Mission

Attached.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
CHILDREN’S HOSPITAL AT MISSION**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Children’s Hospital at Mission, a California nonprofit public benefit corporation (this “Corporation”).
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

FIRST: The name of this Corporation shall be:

[CHILDREN’S HOSPITAL AT MISSION]

SECOND: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

THIRD: This Corporation was organized for charitable purposes under the California General Nonprofit Corporation Law but, and consistent with Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has elected to be governed by and subject to the California Nonprofit Public Benefit Corporation Law, including all of the provisions of such law not otherwise applicable to it under Part 5 of said Nonprofit Public Benefit Corporation Law.

FOURTH: The purposes for which this Corporation is formed are:

1. Consistent with Section 501(c)(3) of the Code, to exercise any, all and every power which a nonprofit corporation organized under the provisions of the California Nonprofit Public Benefit Corporation Law for charitable, educational or scientific purposes can be authorized to exercise, but not any other power.
2. To solicit, accept, administer, or apply and use property acquired by gifts, grants, devises, bequests or otherwise in accordance with any of the purposes and objects of the Corporation or as may be specified by the donor of any such property, in accordance with the purposes set forth in this Article; provided, however, that when, in the judgment and discretion of the Board of Directors of the Corporation, the purposes, objects, restrictions or conditions specified in any donations become unobtainable, obsolete, unnecessary, incapable, or not reasonably susceptible of fulfilment, or not in the best interest of advancing the charitable, educational or scientific purposes of this Corporation, the property involved in any such case shall be subject to the general objects and purposes of the Corporation. Consistent with Section 501(c)(3) of the Code, the corporation shall be authorized to do everything necessary, suitable,

convenient, usual or proper for the accomplishment of the purposes herein expressed or incidental thereto.

FIFTH: This Corporation has no capital stock and is not formed for profit. This Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code. This Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, and no substantial part of the activities of this Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation within the meaning of Section 501(c)(3) of the Code. The property of this Corporation is irrevocably dedicated to charitable purposes meeting the requirements for exemption prescribed by Section 214 of the California Revenue and Taxation Code. No part of the property, assets, profits, or net income of the Corporation shall inure to the benefit of any private person, except that this Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

SIXTH: The number of directors of this Corporation shall be provided for in this Corporation's bylaws, in accordance with California Corporations Code Section 5151(a) and (b) or successor statutes.

SEVENTH: Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of this Corporation, the remaining assets shall be distributed to one or more nonprofit corporations which are organized and operated exclusively for charitable purposes meeting the requirements for exemption prescribed by Section 214 of the California Revenue and Taxation Code and which are federally tax-exempt as organizations described in Section 501(c)(3) of the Code at such time.

EIGHTH: The sole member of this Corporation, within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law, is Rady Children's Health, a California nonprofit corporation organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

NINTH: These Articles of Incorporation shall be amended only as provided in this Corporation's bylaws.

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the board of directors of this Corporation.
4. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by this Corporation's sole member, Children's HealthCare of California.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our knowledge:

[Dated: _____, 2024]

Kimberly Chavalas Cripe, President

Jay M. Gabriel, Secretary

Attachment 3.2(b)

Amended and Restated Bylaws of CHOC at Mission

Attached.

AMENDED AND RESTATED BYLAWS

OF

[CHILDREN'S HOSPITAL AT MISSION],
doing business as [_____]

[_____, 20__]

AMENDED AND RESTATED BYLAWS
OF
[CHILDREN’S HOSPITAL AT MISSION]

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AMENDED AND RESTATED BYLAWS

OF

[CHILDREN'S HOSPITAL AT MISSION],

doing business as [_____]

These Amended and Restated Bylaws are dated [_____, 20__] (the "Effective Date") and amend, restate, and supersede in their entirety the Bylaws of CHILDREN'S HOSPITAL AT MISSION, doing business as CHOC Children's at Mission Hospital dated March 29, 2018.

1. PURPOSES AND POWERS.

1.1 Purposes and Powers.

The principal purposes and powers of [CHILDREN'S HOSPITAL AT MISSION], doing business as [_____] ("Corporation" or "CHOC Children's at Mission Hospital" or "CCMH") are as set forth in the Articles of Incorporation, as amended from time to time. In furtherance of such purposes and powers and as is consistent therewith, the Corporation's purposes encompass the provision of comprehensive healthcare to pediatric patients through management and operation of healthcare facilities and programs.

1.2 Health Care Facilities and Programs.

Without limiting the generality of the foregoing, the purposes of the Corporation include the operation of CHOC Children's at Mission Hospital, a general acute care hospital, including any clinics operated as part of CHOC Children's at Mission Hospital (the "Hospital").

2. DEFINITIONS.

2.1 "Affiliate" means, when used in connection with a particular entity, any corporation, limited liability company, partnership, joint venture, association, business trust, or similar entity that directly or indirectly controls, is controlled by, or is under common control with, such entity and any successors or assigns of such entity with respect to such entity. For purposes of this definition, "control" means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise.

2.2 "Affiliation Agreement" means that certain Affiliation Agreement dated [] by and among Children's HealthCare of California, Children's Hospital of Orange County, Children's Hospital at Mission, Rady Children's Hospital and Health Center and Rady Children's Hospital – San Diego, as such may be amended from time to time.

2.3 "Change of Control" means: (a) any transaction or series of related transactions of an entity (including, without limitation, merger or consolidation, sale, transfer or other disposition of equity, amendment to the articles of incorporation or bylaws or other applicable governing

documents of such entity or other contract or arrangement) that results in another entity becoming the beneficial owner of more than fifty percent (50%) of the voting ownership interests of such entity, (b) the sale, lease, transfer, exchange, disposition or change in use of all or substantially all of the property and assets of an entity, (c) the addition or substitution of a corporate member or members that transfers the control of, responsibility for, or governance of the entity; or (d) a joint venture, management arrangement or similar transaction by an entity with another entity that results in the other entity becoming the owner, operator or manager of all or substantially all of the assets of the entity.

2.4 “Emergency” means any of the following events as a result of which, and only as long as, a quorum of the Board cannot be readily convened for action: a disaster called by any County in which the Corporation or its Affiliates does business, or a state of emergency proclaimed by the Governor of California, or by the President of the United States.

2.5 “Subsidiary” or “Subsidiaries” of the Corporation means an entity that, directly or indirectly through one or more intermediaries, is controlled by the Corporation. For purposes of this definition, “control” means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise. Without limiting the generality of the foregoing, “Subsidiary” shall include an entity of which the Corporation is a corporate member and an entity in which the Corporation owns fifty percent (50%) or more of the voting securities.

2.6 “Transition Period” means the period between the Effective Date and the July 1st immediately following the sixth (6th) anniversary of the Effective Date.

3. MEMBERSHIP.

3.1 Member.

(a) The sole member of the Corporation, within the meaning of Section 5056 of the California Nonprofit Public Benefit Corporation Law (the “Law”), entitled to vote shall be Rady Children’s Health, a California nonprofit public benefit corporation (the “Member”). Except as provided in these Bylaws and as is not inconsistent with the Law, the Member shall have and be entitled to exercise fully all rights and privileges of a member of a nonprofit public benefit corporation under the Law and under all other applicable laws. All actions of the Member with respect to this Corporation must be taken consistent and in compliance with the terms of the Bylaws of Rady Children’s Health, dated [●], as such are amended or restated from time to time (the “Member’s Bylaws”).

3.2 Reserved Powers of Member.

(a) Member Reserved Powers. Except as set forth in Section 3.2(b), the Member has exclusive power to take any of the following actions (as specified in the Bylaws of the Member, which may require a Supermajority vote of the Member Board) with respect to the Corporation or any of its Affiliates without the need to obtain the approval of the Board of Directors of this Corporation (the “Board of Directors” or “Board”), and no attempted exercise

of any such powers by anyone other than the Member shall be valid or of any force or effect whatsoever:

(i) Approve material changes to the CHC Capital Plan (as defined in the Affiliation Agreement), but not for changes to the sources or amounts of funding, or other changes due to financial deterioration, which are each subject to the process and approvals set forth in Section 14.4 of the Affiliation Agreement;

(ii) Elect individuals to the Board of Directors in accordance with the nomination and election process set forth in Section 4.4(b);

(iii) Establish, consummate or approve a Change of Control of the Corporation or any of its Affiliates;

(iv) Approve the strategic plans, capital budgets and operating budgets of the Corporation or any of its Affiliates;

(v) Form or approve the formation of a new obligated group amongst the Member, the Corporation and/or any of its Affiliates, or add a new member to an existing obligated group;

(vi) Select the independent auditor that will serve as auditor for the Member, the Corporation and its Affiliates;

(vii) Approve any debt instruments, derivative instruments, the incurrence of debt or lending of money by the Corporation or any of its Affiliates (excluding capital leases or operating leases);

(viii) Approve any capital leases or operating leases by the Company or any of its Affiliates in amounts at or above Five Million Dollars (\$5,000,000);

(ix) Approve a combination of the endowments, investment portfolios, operating cash and/or cash reserves of the Member, the Corporation and/or any of its Affiliates, subject to the restrictions on any such assets; provided, however, no such decision shall result in the Corporation being unable to hold sufficient cash on hand to maintain its ordinary course operations;

(x) Close a licensed hospital owned and operated by the Corporation or any of its Affiliates; and

(xi) Approve any long-term commitment of the Corporation involving a term in excess of fifteen (15) years.

(b) Transition Period Hospital Reserved Powers. The Member has exclusive power to take any of the following actions without the need to obtain the approval of the Board, and no attempted exercise of any such powers by anyone other than the Member shall be valid or of any force or effect whatsoever; provided, however, that during the Transition Period, the following actions shall also require approval of the Board, it being acknowledged that, unless

otherwise indicated in this Section 3.2(b), after the Transition Period the Member has the exclusive power to take any of the following actions without the need to obtain the approval of the Board:

(i) Remove individuals from the Board of Directors with or without cause;

(ii) Remove or appoint a successor CHOC Co-CEO of the Member during the Co-CEO Period (as such terms are defined in the Member's Bylaws);

(iii) Remove or appoint a successor President and Chief Executive Officer of the Corporation or any of its Subsidiaries;

(iv) Make material amendments to the Articles of Incorporation, Bylaws, or other governing documents, as applicable, of the Corporation or any of its Subsidiaries;

(v) Change the corporate structure of the Corporation or any of its Subsidiaries if such change would affect the entity's status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law;

(vi) Change the name of the Corporation or any of its Subsidiaries, subject to the Member's obligations and commitments as set forth in the Affiliation Agreement and any applicable donative instruments or branding plan then existing;

(vii) Approve a re-branding plan of the Corporation or any of its Subsidiaries (individually or as a system), subject to the Affiliation Agreement and any applicable donative instruments then existing;

(viii) Elect to voluntarily dissolve the Corporation or any of its Subsidiaries;

(ix) Sell any real property owned by the Corporation or any of its Subsidiaries valued at or above Five Hundred Thousand Dollars (\$500,000);

(x) Approve the Corporation or any of its Subsidiaries entering into a settlement or consent decree with a governmental or regulatory agency or non-governmental third party if the settlement or consent decree involves an amount at or above Five Million Dollars (\$5,000,000), or contains material conditions regarding operations;

(xi) Approve an unbudgeted transaction or expenditure of the Corporation or any of its Subsidiaries (in a single transaction or a series or related transactions) if the unbudgeted transaction or expenditure involves an amount at or above Five Million Dollars (\$5,000,000);

(xii) Approve a donation made directly to the Corporation or any of its Subsidiaries if such donation requires or is conditioned on undertaking any unbudgeted capital or operating expenditure at or above One Million Dollars (\$1,000,000);

(xiii) Sell, dispose of or transfer fixed assets (including equipment) of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions), if the amount of the assets is at or above One Million Dollars (\$1,000,000);

(xiv) Sell, dispose of, or transfer invested assets of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions) where such sale, disposition or transfer is not covered by the policies or targets approved by the Member's Investment Committee;

(xv) Change the mission, vision or values of the Corporation or any of its Subsidiaries;

(xvi) Approve any decision or act which materially impacts an existing affiliation between the University of California and the Corporation or any of its Subsidiaries; provided, however, that any such decision or action shall also require the approval of the Board both during and after the Transition Period;

(xvii) Approve a change to the structure of a medical foundation operated by the Corporation or any of its Subsidiaries in accordance with Section 1206(l) or 1206(g) of the California Health & Safety Code (a "Medical Foundation");

(xviii) Approve a material change or modification to a professional services agreement of a Medical Foundation (it being acknowledged that a change in the compensation amount or compensation methodology under a Medical Foundation's professional services agreement shall not constitute a material change); and

(xix) Approve each community benefit plan of the Corporation or any of its Subsidiaries.

(c) Scope of the Member's Rights and Approvals over Subsidiaries. Notwithstanding anything in this Section 3.2 that may be construed to the contrary, any right of the Member to take action with respect to, or approve an action taken by or with respect to, an Affiliate of the Corporation as set forth in this Section 3.2 may only be exercised by the Member if the Corporation possesses the right to take or approve such action, pursuant to the Affiliate's organizational documents, at the time the Member desires to exercise its right over the Affiliate.

4. BOARD OF DIRECTORS.

4.1 Powers, Authority and Responsibility.

(a) Subject to the provisions of Sections 5110 – 6910 of the California Corporations Code and the provisions in these Bylaws relating to action that may be taken by, or that require the approval of, the Member, the activities and affairs of the Corporation shall be conducted and all the corporate powers shall be exercised by or under the direction of the Board.

(b) Subject to the powers reserved to the Member, and without limiting the generality of Section 4.1(a) above, the Board shall:

(i) Have the ultimate authority and legal responsibility for the safety and quality of care, treatment, and services, consistent with the role of the Medical Staff as provided in Section 7 of these Bylaws;

(ii) Have final authority for granting, renewing, revising, or denying Medical Staff privileges, consistent with the role of the Medical Staff as provided in Section 7 of these Bylaws;

(iii) Approve policy and promote performance improvement;

(iv) Provide for organizational management and planning;

(v) Be responsible for approving the Hospital's scope of services, which shall be defined in writing;

(vi) Nominate individuals to be appointed by the Member to the Board in accordance with Section 4.4(b);

(vii) Provide for coordination and integration among the Hospital's leaders to establish policy, maintain quality of care and patient safety, and provide for necessary resources;

(viii) Annually evaluate the Hospital's performance in relation to its vision, mission, and goals;

(ix) Annually recommend to the Member for approval an operating budget that reflects the goals and objectives of the Hospital;

(x) Recommend to the Member for approval a capital budget for the Hospital; and

(xi) Provide for short-term and long-term planning for the Hospital.

4.2 Number of Directors.

The authorized number of Directors comprising the Board shall be not less than eleven (11) and not more than seventeen (17), with the exact number of Directors to be fixed from time to time by resolution of the Board.

4.3 Qualifications of Directors.

(a) Except as specifically provided in these Bylaws, no person is eligible to serve as a Director who is, at the time of consideration, an employee of the Corporation or any of its Affiliates. In the event a Director accepts employment by the Corporation or any of its

Affiliates, the Director shall be required to resign from the Board. In order to best elicit the perspectives of the communities the Corporation serves, the Board shall also attempt to reflect the diversity of the communities it serves in terms of age, gender, race, color, ethnicity and residence. Additionally, consideration shall be given to any actual or potential conflicts of interest, as defined in the Corporation's Conflict of Interest Policy and Questionnaire, in connection with the selection of any individual to serve as a Director. Notwithstanding the foregoing, any violation of the provisions of this Section 4.3(a) shall not affect the validity or enforceability of any transaction entered into by the Corporation. Directors shall be expected to attend meetings on a regular basis, except they may be excused from time to time with reasonable advance notice to the Secretary of the Board.

(b) The Board shall comprise persons who by reason of their background and experience can reasonably be expected to contribute meaningfully to the governance of the Corporation; provided, however, that no more than twenty percent (20%) of the authorized number of Directors shall be members of the Hospital's Medical Staff. Notwithstanding anything to the contrary herein, the Board of the Corporation shall be comprised of the same individuals who from time to time, serve as the members of the board of directors of Children's Hospital of Orange County ("CHOC Children's Orange") and for the same terms and/or periods of qualification as set forth in the CHOC Children's Orange Bylaws as such bylaws may be amended from time to time.

(c) The persons holding the following offices may, for such times as they hold such positions, be invited as guests to meetings of the Board, subject to the provisions of this Section 4.3(c): Chair of the Board of Directors of CHOC Foundation; President of the Medical Staff of CHOC Children's Orange; Chief of Staff of the Medical Staff of CHOC Children's at Mission Hospital; and the President of Pediatric Subspecialty Faculty, Inc. ("PSF"), pursuant to the CHOC Children's Orange Professional Services Agreement with PSF, but only to the extent such attendance shall not cause the Corporation to fail to meet the requirements of Revenue Procedure 2017-13 of the Internal Revenue Service or any similar legal authority. Such persons shall not be Directors of the Corporation (unless they are Directors of affiliated corporations, who are elected as such pursuant to Section 3.4(a) of these Bylaws). The Board may invite other guests to meetings of the Board from time to time as the Board deems appropriate to do so. The Board may exclude any person who is not a Director from any particular meeting or portion of a meeting when the Board deems it appropriate to do so. Directors shall be expected to attend meetings on a regular basis, except they may be excused from time to time with reasonable advance notice to the Secretary of the Board, subject to Section 4.19.

4.4 Appointment and Term of Office.

(a) Directors of the Corporation shall be elected annually by the Member, based on the nomination(s) provided to the Member by the Board, as described in Section 4.4(b). Each Director shall serve for a term of three (3) years or until his or her successor is appointed; provided, however, that the term of a newly appointed Director may be shortened and called a partial term to the extent necessary to ensure that one-third (1/3) (or as close as possible to one-third) of the Directors' terms will expire each year. Any person who has served three (3) consecutive three (3) year terms as a Director may be reappointed to the Board only following a period of at least twelve (12) months during which that person did not serve as a Director of the Corporation (for these purposes, a partial term that is less than a full three (3) year term shall not be considered).

(b) Prior to the date of the Annual Meeting of the Board (the “Annual Meeting Date”), the Governance and Nominating Committee shall submit to the full Board for the Board’s approval a list of qualified nominees to fill the positions of any Directors whose terms are scheduled to expire as of the Annual Meeting Date (the “Nomination List”), taking into account the provisions of Section 4.4(c). The number of nominees contained in the Nomination List shall be greater than or equal to the number of Directors to be appointed. In the event that the Board determines that it is in the best interests of the Corporation that additional nominees be considered, the Board shall notify the Governance and Nominating Committee, and the Governance and Nominating Committee shall submit to the Board an additional Nomination List that contains the names of additional nominee(s) for the Directors’ positions. Prior to the Member’s annual meeting, the Board shall submit to the Member for the Member’s approval a list of the approved nominees from the Nomination List (the “Board Approved Nomination List”). In the event that the Member determines that it would not be in the best interests of the Corporation to appoint, from the Board Approved Nomination List, the full number of Directors required to be appointed, the Member shall notify the Board of the number of Directors’ positions yet to be filled. In that case, the Board, with input from the Governance and Nominating Committee, shall provide the Member with an additional Board Approved Nomination List that contains the names of additional nominee(s) for the Directors’ positions. The Member shall elect the required number of Directors from the Board Approved Nomination List.

(c) Consistent with the requirement set forth in Section 4.3(b), that no more than twenty percent (20%) of the authorized number of Directors shall be members of the Hospital’s Medical Staff, the Governance and Nominating Committee shall consider nominating Director candidates who are members of the Hospital’s Medical Staff, after having received recommendations as a result of consultation between the President and CEO of the Corporation (the “President and CEO”) and the Chief of Staff of the Medical Staff; however, such recommendations will not be binding on the Governance and Nominating Committee nor the Board nor the Member.

4.5 Vacancies.

(a) Any vacancy in the Board, as described below, may be filled by the vote of a majority of the remaining Directors, subject to ratification by the Member, even if the number of remaining Directors is less than a quorum, or by a sole remaining Director. Each newly elected Director shall hold office until his or her successor takes office.

(b) A vacancy or vacancies on the Board shall be deemed to exist in case of the death, disability, resignation, or removal of any Director, or if the Member fails to elect the required number of Directors, in accordance with Section 4.4.

(c) If the Board accepts the resignation of a Director intended to take effect at a future time, the Board shall have the power to elect a successor to take office when the resignation shall become effective.

(d) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

4.6 Place of Meeting.

Regular meetings of the Board shall be held at any place within or outside the State which has been designated from time to time by resolution of the Board or by written consent of all of the Directors. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

4.7 Annual Organizational and Other Regular Meetings.

The Board shall hold an annual meeting for the purpose of organization, election of officers and the transaction of other business, which shall be in advance of the Member's annual meeting. Regular meetings of the Board (including the annual meeting) shall be held at least four (4) times during the period between each annual meeting of the Board (the "Board Year"), at such times as the Board may from time to time determine. The Board shall not be required to give prior notice of the annual meeting or of any other regular meeting, if the time and place of such meeting are fixed by a resolution of the Board. Any notice of the annual meeting or of any other regular meeting may be given in the manner described in Section 4.9.

4.8 Special Meetings.

Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board, the President and CEO, or by any three (3) Directors. The notice of the special meeting need not specify the purpose of the meeting.

4.9 Notice of Special Meetings.

(a) Notice of the time and place of special meetings shall be given to each Director by (i) personal delivery of written notice; (ii) first-class mail, postage prepaid; (iii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who could reasonably be expected to communicate that notice promptly to the Director; or (iv) electronic transmission by the Corporation as defined by Section 20 of the California Corporations Code. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

(b) Notice of special meetings sent by first-class mail shall be deposited in the United States mail at least four (4) days before the date set for the meeting. Notices given by personal delivery, telephone, or by electronic transmission by the Corporation shall be delivered, telephoned, or sent, respectively, at least forty-eight (48) hours before the time set for the meeting.

4.10 Quorum.

A majority of the Directors then in office shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board, unless a greater number is required by law or by the Articles of Incorporation or by these Bylaws.

4.11 Waiver of Notice.

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, (i) no Director present properly objects to the adequacy of notice and call, and (ii) either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

4.12 Adjournment.

A quorum of the Directors may adjourn any meeting of the Board, either regular or special, to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

4.13 Notice of Adjournment.

If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

4.14 Action Without Meeting.

Any action by the Board may be taken without a meeting, if all Directors, individually or collectively, consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “in writing” and “written” include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof; or (3) other means of electronic communication.

4.15 Participation by Telephone or Electronic Means.

Directors may participate in a meeting through the use of conference telephone, electronic video screen communication, or electronic transmission by and to the Corporation pursuant to Section 5211(a) of the California Nonprofit Corporation Law. Participation in a meeting through use of conference telephone or electronic video screen communication constitutes attendance in person, so long as all participating Directors can hear one another. Participation in a meeting through use of electronic transmission by and to the Corporation, other than conference telephone and electronic video screen communication constitutes attendance in person at such meeting, so long as all participating Directors can communicate with all of the other Directors

concurrently and each Director is able to participate in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

4.16 Fees and Compensation.

Directors shall not receive any stated salary or any other fees or compensation for their services as Directors or on any committee.

4.17 Self-Dealing Transactions; Conflicts of Interest.

(a) In accordance with Section 5233 of the California Nonprofit Corporation Law, the Corporation shall not be a party to a transaction in which one or more of its Directors has a “material financial interest” within the meaning of said Section 5233 (each, an “Interested Director”) unless:

(1) The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(2) Prior to entering into the transaction, after full disclosure to the Board of all material facts as to the proposed transaction and the Interested Director’s interest and investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(i) Resolves and finds that (1) the transaction is in the Corporation’s best interests and for the Corporation’s own benefit, (2) the transaction is fair and reasonable as to the Corporation, and (3) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(ii) Approves the entire transaction; or

(3) If it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, and, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in paragraph (a)(2) of this Section; and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director.

(b) (1) The Board shall adopt a statement of policy concerning Directors with any possible conflict of interest. This statement of policy shall be reviewed periodically and updated where necessary or appropriate to the end that Directors of the Corporation shall handle matters relating to conflicts of interest in a manner which will satisfy appropriate legal and ethical standards. Any Director, officer, key employee, or committee member having an interest in a contract or other transaction presented to the Board or a committee thereof for authorization,

approval, or ratification shall make a prompt, full, and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the Corporation's interest.

(2) The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to, such contract or transaction. Such person may be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

(3) The Board may adopt conflict of interest policies requiring:

(i) regular annual statements from directors, officers, key employees and key members of the Medical Staff that disclose existing and potential conflicts of interest; and

(ii) corrective and disciplinary actions with respect to transgressions of such policies.

4.18 Emergency Action. In anticipation of or during an Emergency, the Board may: (i) modify lines of succession to accommodate the incapacity of any Director, officer, employee, or agent resulting from the Emergency; (ii) relocate the principal office or authorize the officers to do so; (iii) give notice to a Director or Directors in any practicable manner under the circumstances; and (iv) deem that one or more officers present at a board meeting is a Director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. In anticipation of or during an Emergency, the Board may not take any action that requires the vote of the Member by state law or otherwise is not the Corporation's ordinary course of business. Any actions taken in good faith under this Section 4.18 may not be used to impose liability on a Director, officer, employee, or agent.

4.19 Removal and Resignation.

(a) Any Director may be removed, either with or without cause, in accordance with Section 3.2(b)(i).

(b) The Secretary shall bring to the attention of the Board and the Member, and the Member (and the Board, during the Transition Period) shall consider whether or not to remove, any Director who is absent in any year:

(1) from more than two (2) Board meetings, if such absences have not been excused by the Board; or

(2) from more than three (3) Board meetings, whether or not such absences have been excused by the Board.

(c) Any Director may resign at any time by giving written notice to the Board, to the Chair of the Board, to the President and CEO, or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.20 Proxies.

No Director shall have the right to vote by proxy on any matter.

4.21 Liability of Directors.

No Director of the Corporation, now or hereafter elected, shall be liable for any debt, liability, or obligation of the Corporation.

5. COMMITTEES.

5.1 Types of Committees.

The committees of the Corporation shall consist of Board Committees (as defined in Section 5.2 of these Bylaws) and Advisory Committees (as defined in Section 5.3 of these Bylaws). Board Committees shall include those committees identified in Section 5.2 and such other Board Committees as may be appointed by the Board in accordance with Section 5.2. Advisory Committees shall include those committees identified in Section 5.3 and such other Advisory Committees as may be appointed by the Board in accordance with Section 5.3. All committees shall be Advisory Committees unless specifically designated as a Board Committee in these Bylaws or by the Board in accordance with Section 5.2.

5.2 Committees Empowered to Act for the Board.

(a) The Board may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one or more Board Committees, in addition to those Board Committees authorized by these Bylaws, each consisting of two or more Directors. Appointments to such committees shall be by a majority vote of the number of Directors authorized pursuant to these Bylaws. A “Board Committee” is a committee of the Board that, to the extent provided in the resolution of the Board or in these Bylaws, has the authority of the Board, except that a Board Committee may not have the Board’s authority with respect to:

(1) The approval of any action for which the California Nonprofit Public Benefit Corporation Law or these Bylaws also requires approval of the Member;

(2) The filling of vacancies on the Board or on any committee which has the authority of the Board;

(3) The fixing of compensation of the Directors for serving on the Board or on any committee;

(4) The amendment or repeal of these Bylaws or the adoption of new Bylaws;

(5) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(6) The appointment of committees of the Board or the members thereof;

(7) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(8) The approval of any self-dealing transaction except as provided in paragraph (3) of subdivision (d) of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

(b) The regular and special meetings of a Board Committee shall be governed by the provisions of Section 4 above applicable to meetings and actions of the Board unless otherwise provided in the Articles of Incorporation or in these Bylaws.

(c) Only members of the Board shall be eligible to be members of a Board Committee. If any member of a Board Committee ceases for any reason to be a member of the Board, such person's status as a member of any Board Committee shall cease automatically and concurrently therewith.

(d) The Board may delegate to a Board Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except as set forth in Section 5.2(a) of these Bylaws; provided, however, that the delegation of authority to a Board Committee shall not operate to relieve the Board or any individual Director of any responsibility imposed on it, him or her by law, by the Articles of Incorporation, or by these Bylaws.

(e) The Board Committees of the Corporation shall consist of an Executive Committee, as provided in these Bylaws, and such other Board Committees as may be established from time to time by the Board in accordance with this Section 5.2.

(f) Notwithstanding anything to the contrary herein, the Executive Committee shall be composed of the same individuals who from time to time serve as the members of the executive committee of CHOC Children's Orange and for the same terms and periods of qualification as set forth in the CHOC Children's Orange Bylaws, as such bylaws may be amended from time to time.

5.3 Advisory Committees.

(a) The Board or the Chair of the Board may create one or more Advisory Committees, in addition to those Advisory Committees authorized by these Bylaws, each consisting of two or more persons. Advisory Committees may be comprised of Directors only, Directors and non-Directors, or non-Directors only, and also may include non-voting members and alternate members. The chair and members of Advisory Committees shall be appointed by the Board for Advisory Committees created by the Board, and by the Chair of the Board for Advisory Committees created by the Chair of the Board. An “Advisory Committee” is a committee that serves in an advisory capacity to the Board and/or the President and CEO, and shall have such authority as is conferred by these Bylaws or by the Board, except that any authority of an Advisory Committee shall be subordinate to that of the Board, and no Advisory Committee may have or exercise the authority of the Board. Advisory Committees may include special committees or ad hoc committees, and upon completion of the task for which it was created, each special committee or ad hoc committee shall be discharged. The chair and each member of each special committee or ad hoc committee shall serve for the life of the committee unless they are appointed for a term or sooner removed, resign, or cease to qualify as a chair or member, as the case may be, of such committee. Advisory Committees shall report their findings and recommendations to the Board and/or the President and CEO, as appropriate.

(b) The Advisory Committees of the Corporation shall consist of a Governance and Nominating Committee, a Joint Conference Committee, a Quality Committee, and such other Advisory Committees as may be established from time to time in accordance with this Section 5.3.

(c) Notwithstanding anything to the contrary herein, the Governance and Nominating Committee and the Quality Committee shall be composed of the same individuals who from time to time serve as the members of such corresponding committees of CHOC Children’s Orange and for the same terms and periods of qualification as set forth in the CHOC Children’s Orange Bylaws, as such bylaws may be amended from time to time by the Member and CHOC Children’s Orange.

5.4 Executive Committee.

(a) There shall be an Executive Committee, which shall be composed of the following:

- (i) the Chair of the Board, who shall act as chair;
- (ii) the Vice Chair;
- (iii) a minimum of one Director of the Corporation recommended by the Chair of the Board and approved by the Board of Directors;
- (iv) the Secretary (unless the Secretary is also an employee of the Corporation or its Affiliates);
- (v) a Director who is also on the Member’s Board of Directors; provided, however, that during the Transition Period this

individual shall be a CHOC Director (as such term is defined in the Member's Bylaws); and

- (vi) such other directors who serve on the Executive Committee of CHOC Children's Orange.

In the event that any particular individual occupies more than one of the positions identified above, the Committee membership shall be considered to be complete without the appointment of any additional individuals to fill any such position. For example, if one individual occupies two of such positions, the Committee shall function with four (4) members rather than with five (5). In the event that the Secretary is an employee of the Corporation or its Affiliates, the Committee shall be considered to be complete without the appointment of any individuals to fill such position.

(b) Subject to the powers reserved to the Member or to the full Board, the Executive Committee shall act for the Board between meetings when the interests of the Corporation require action prior to the next scheduled meeting of the Board and calling a special meeting of the Board would not be practicable. The Executive Committee also shall confer with and provide advice to the President and CEO upon request by the President and CEO, and the Executive Committee shall undertake special projects as directed by the Board.

(c) The Executive Committee shall provide information to the Board regarding strategic planning relating to the Hospital and such related matters as may be requested by the Board from time to time. The Executive Committee shall meet and review progress on the strategic plan as needed.

(d) The Executive Committee shall have such other authority as may be delegated to it by the Board. The Executive Committee shall meet at least one (1) time during the Board Year.

5.5 Governance and Nominating Committee.

(a) The Governance and Nominating Committee shall be composed of at least four (4) Directors, one of whom shall be designated as chair of the Governance and Nominating Committee. The Governance and Nominating Committee shall:

- (i) nominate Directors as required by Section 4.4(b) of these Bylaws;
- (ii) steward, seek and promote diversity on the Board and report regularly to the Board on diversity efforts including without limitation demographics, skillsets and competencies;
- (iii) nominate officers for approval in accordance with Section 6.2;
- (iv) provide for succession planning for volunteer officers and members of the Board;
- (v) review the Bylaws of the Corporation as needed and submit to the Board reports based on its review, including any recommendations for changes to the Bylaws;

(vi) oversee the periodic review of the performance of the members of the Board both individually and collectively; and

(vii) have such other duties as may be assigned to it by the Board.

(b) The Governance and Nominating Committee shall meet as frequently as needed, but no less often than two (2) times during the Board Year.

5.6 Joint Conference Committee.

(a) The Joint Conference Committee shall be composed of eight (8) members, of which three (3) shall be members of the Board, one shall be the Chief Nursing Officer of the Hospital, and four (4) shall be members of the Medical Staff of CHOC Children's at Mission Hospital. The Board members shall be the Chair of the Board, Vice Chair and an additional Director of the Corporation appointed by recommendation of the Chair of the Board and approval by the Board of the Corporation. The Medical Staff members shall be the Chief of Staff of the Medical Staff, Chief of Staff-Elect, Immediate Past Chief of Staff, and Secretary-Treasurer of the Medical Staff. The chair of the Joint Conference Committee shall alternate on a calendar year basis, being designated by the Chair of the Board to serve in even-numbered years and by the Chief of Staff of the Medical Staff to serve in odd-numbered years.

(b) The Joint Conference Committee shall serve as a formal means of liaison between the Board and the Medical Staff. The Joint Conference Committee shall conduct itself as a forum for the discussion of pertinent actions taken or contemplated by the Board or the Medical Staff, with particular emphasis on actions pertaining to the provision of efficient and effective patient care.

(c) The Joint Conference Committee shall review and provide recommendations with regard to differences of opinion or judgment between the Board and the Medical Staff which are referred by the Board or by the Medical Executive Committee.

(d) The Joint Conference Committee shall meet on an as needed basis and shall transmit written reports of its activities to the Medical Executive Committee and to the Board.

5.7 Quality Committee.

(a) There shall be a Quality Committee, which shall be composed of Directors, the CMO, Medical Staff members and such other persons as determined and appointed by the Board or by the Chair of the Board.

(b) The Quality Committee shall provide oversight and direction to ensure organizational focus and advancement of clinical outcomes, patient safety initiatives, and service excellence. Key measures of performance on the Scorecard shall be used by the Quality Committee to monitor the results of process and outcome improvement initiatives, and to drive organizational performance to best practice levels. Responsibilities of the Quality Committee include ensuring that applicable regulatory requirements related to quality and patient safety are met.

(c) The Quality Committee shall meet as needed, but no less often than semi-annually.

5.8 Committee Procedures.

(a) Vacancies.

Vacancies on any Committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

(b) Meetings; Quorum.

(i) Each Board Committee shall meet as often as is necessary to perform its duties at such times and places as directed by its chair or by the Board. Committee members may participate by conference telephone or other communications equipment, as provided in Section 4.15, above. Any member of a committee shall be considered a voting member of the committee unless such individual has been designated as a non-voting member of the committee in accordance with these Bylaws. All committees shall keep minutes of their proceedings and actions and shall report periodically to the Board.

(ii) The act of a majority of those committee members who are present at a meeting at which a quorum exists shall be the act of the committee. For each Board Committee, a majority of the voting members then in office shall constitute a quorum. For each Advisory Committee, the members who are present at a meeting shall constitute a quorum.

(c) Expenditures.

Any expenditure of corporate funds by a committee shall require prior approval of the Board.

(d) Action Without Meeting.

Any action by a committee may be taken without a meeting if all voting members of the committee shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the committee.

(e) Removal and Resignation of Committee Members.

Any member of a committee may resign at any time by giving written notice to the chair of the committee or to the Secretary of the Corporation. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified in said notice. Any member of a committee, except an ex officio member of such committee, may be removed at any time by a resolution adopted by a majority of the Directors then in office. Any ex officio member of a committee shall cease to be such if he or she shall cease to hold the designated position which is the basis of ex officio membership.

(f) Committee Chair.

The chair and each member of each committee established pursuant to these Bylaws shall serve until the next annual election of Directors or until his or her successor is appointed, or until such committee is sooner terminated, or until such person ceases to qualify as a chair or member, as the case may be, of the committee.

6. OFFICERS.

6.1 Officers.

The officers of the Corporation shall be a Chair of the Board, a Vice Chair, a President and CEO, a COO, a CFO, a Secretary, and an Assistant Secretary. The Corporation may also have, at the discretion of the Board, such other officers as may be appointed in accordance with the Bylaws. The officers shall be subject to the rights, if any, of any officer under contract of employment. One person may hold two or more offices, except that neither the Secretary, nor the CFO may serve concurrently as President and CEO or as Chair of the Board. Notwithstanding anything to the contrary herein, the officers of the Corporation shall be comprised of the same individuals who from time to time, serve as the officers of CHOC Children's Orange and for the same terms and/or periods of qualification as set forth in the CHOC Children's Orange Bylaws as such bylaws may be amended from time to time.

6.2 Election.

(a) The President and CEO shall be elected by the Member annually or from time to time as determined necessary by the Member; provided, however, (i) during the Transition Period, election of the President and CEO shall also require approval of the Board, and (ii) the Corporation may obtain from the Member the services of the President and CEO pursuant to an agreement between the Corporation and the Member for as long as any such agreement remains in effect (an "Executive Management Agreement"). The President and CEO shall hold office until he or she shall resign, be removed or otherwise be disqualified to serve, or his or her successor be elected and qualified.

(b) Except for the President and CEO, the officers of the Corporation shall be elected by the Board annually or from time to time as determined necessary by the Board; provided, however, (i) the Corporation may obtain from the Member the services of the COO and the CFO of the Corporation pursuant to an Executive Management Agreement, so long as such an agreement shall remain in effect, (ii) the COO shall be appointed by the President and CEO of the Corporation if an Executive Management Agreement is not in effect, (iii) the CFO shall be appointed by the President and CEO of the Corporation if an Executive Management Agreement is not in effect, (iv) the Secretary shall be appointed according to Section 6.11 and (v) the Assistant Secretary shall be appointed in accordance with Section 6.12. Each officer shall hold office until he or she shall resign, be removed or otherwise be disqualified to serve, or his or her successor be elected and qualified.

6.3 Subordinate Officers.

The Board may elect, and may empower the President and CEO to appoint, such other officers as the affairs of the Corporation may require, each of whom shall hold office for

such period, have such authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

6.4 Removal and Resignation of Officers.

(a) Subject to Section 6.4(d), except for the President and CEO, any officer may be removed, either with or without cause, by the Board, at any regular or special meeting thereof, or, except in case of a non-employee officer chosen by the Board (i.e. the Chair, the Vice Chair or the Secretary when the latter is not an employee of the Corporation), by the President and CEO.

(b) Subject to Section 6.4(d), the President and CEO may be removed, either with or without cause, by the Member; provided, however, the removal of the President and CEO during the Transition Period shall also require the approval of the Board.

(c) Subject to Section 6.4(d), any officer may resign at any time by giving written notice to the Board, to the Chair of the Board, to the President and CEO, or to the Secretary of the Corporation; any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(d) The removal or resignation of the President and CEO, COO, or CFO, shall be subject to any applicable terms and conditions set forth in an Executive Management Agreement, so long as such agreement is in effect, and any applicable terms and conditions set forth in any employment agreement or policy between the Member and the President and CEO, the Member and the COO, or the Member and the CFO, as applicable. The removal or resignation of any other officer employed by the Corporation shall be subject to any applicable terms set forth in any employment agreement or policy between the Corporation and such officer.

6.5 Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular elections or appointments to such office.

6.6 Chair of the Board.

The Chair of the Board shall be elected from among the Directors. The Chair of the Board shall preside at all meetings of the Board. The Chair of the Board shall be a member of all Board Committees and may be a member of any Advisory Committee. The Chair of the Board shall have the general powers and duties usually vested in the office of chair of the board of a corporation, and shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

6.7 Vice Chair.

The Vice Chair shall be elected from among the Directors. In the absence of the Chair, the Vice Chair shall preside at a meeting of the Board. In the event that both the Chair and the Vice Chair are absent from a meeting, the Board shall appoint a chair of the meeting from

among the other Directors. The Vice Chair shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

6.8 President and Chief Executive Officer.

(a) The President and CEO shall be appointed as prescribed in Section 6.2 of these Bylaws. The President and CEO shall be qualified for the position by education and experience. The President and CEO shall have the necessary authority and be held responsible for the supervision and management of the Corporation and its affairs, subject only to such policies as may be adopted and such orders as may be issued by the Board or any of the Board's committees to which it has delegated power for such action. The President and CEO shall, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Corporation. The President and CEO shall have the authority to act as the duly authorized representative of the Board in all matters in which the Board has not formally designated another person to act on its behalf. The President and CEO shall be an invited guest to all Board meetings, Board Committee meetings and Advisory Committee meetings; provided, however, the Board, Board Committee or Advisory Committee may exclude the President and CEO from any particular meeting or portion of a meeting if it deems it appropriate to do so. The President and CEO shall be the chief executive officer of the Corporation, and his or her title shall be "President and Chief Executive Officer," although he or she also may be referred to as "President." The President and CEO shall have the general powers and duties usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board, by the Bylaws or in an Executive Management Agreement.

(b) The President and CEO shall appoint an individual to act as administrator of the Hospital and may give such individual the title of vice president or similar title. Such position shall be considered a management position and not that of a corporate officer. The President and CEO shall prescribe the duties of the administrator, and the administrator shall report to the President and CEO or to the President and CEO's designee. The President and CEO also may appoint a physician licensed under California law to serve as the Hospital's Medical Director, which shall be a Hospital management position. If a Medical Director is appointed, the President and CEO shall prescribe his or her duties. The Medical Director shall report to the President and CEO and shall not be considered a corporate officer. The President and CEO from time to time may establish additional Hospital management positions, the functions of which shall be prescribed by the President and CEO. The President and CEO may specify that the title or titles of executive vice president, senior vice president, vice president, or other similar title shall be given to the individuals appointed to fill such positions, but such individuals shall not be considered corporate officers. The President and CEO shall appoint and hire the individuals to fill such positions and may remove such individuals from such positions.

6.9 Chief Operating Officer.

(a) The COO shall be appointed as prescribed by Section 6.2 of these Bylaws. The COO shall be qualified for the position by education and experience.

(b) The COO shall be hired and may be removed by the President and CEO. The COO shall report to the President and CEO, and subject to the supervision of the President

and CEO shall oversee the planning, direction, and management of all patient care areas of the Hospital and related programs offered by the Hospital, as well as ancillary services and general support services related to the Hospital. The COO shall assist the President and CEO in other activities and initiatives as requested by the President and CEO.

6.10 Chief Financial Officer.

(a) The CFO shall be appointed as prescribed in Section 6.2 of these Bylaws. The CFO shall be qualified for the position by education and experience.

(b) The CFO shall be hired and may be removed by the President and CEO. The CFO shall report to the President and CEO, and subject to the supervision of the President and CEO, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all reasonable times be open to inspection by any Director.

(c) The CFO shall ensure that all moneys and other valuables are deposited in the name and to the credit of the Corporation with such depositaries as may be authorized by the Board. The CFO shall ensure that the funds of the Corporation are disbursed in accordance with the policies and directions of the Board, shall report to the Board regarding the financial condition of the Corporation and regarding related financial matters at each regularly scheduled meeting of the Board, and shall meet with the Member's Board of Directors (or designated committee) to discuss such matters at each of its meetings.

6.11 Secretary.

(a) The Secretary may be a member of the Board or an employee of the Corporation. The Secretary shall be qualified for the position by education and experience. If the Secretary is an employee of the Corporation, then the Secretary may be hired and removed by the President and CEO.

(b) The Secretary shall keep or cause to be kept at the principal office the original copy of the Corporation's Articles of Incorporation and minutes of all meetings of Directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof.

(c) The Secretary shall give, or cause to be given, notice of all the meetings of the Board required by the Bylaws or by law to be given, shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by the Bylaws.

6.12 Assistant Secretary.

(a) The President and CEO of the Corporation shall appoint the Assistant Secretary, subject to the approval of the Board. The Assistant Secretary shall be qualified for the

position by education and experience. If the Assistant Secretary is an employee of the Corporation, then the Assistant Secretary may be hired and removed by the President and CEO.

(b) In the absence of the Secretary and if the Secretary is not readily available, the Assistant Secretary shall have the power to sign for and on behalf of the Corporation any document, instrument, or other item that the Secretary is authorized to sign. The Assistant Secretary shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

7. MEDICAL STAFF.

7.1 Organization.

The Hospital shall have a single, organized medical staff (the “Medical Staff”) whose membership shall be comprised of all physicians, dentists, psychologists, and podiatrists competent in their respective fields, worthy in character and in professional ethics, who have been granted privileges to attend patients in the Hospital or at any of the Clinics. The Medical Staff shall provide oversight of care, treatment, and services provided by practitioners with privileges, and shall provide for an appropriate standard of quality patient care, treatment, and services. The Medical Staff shall be self-governing with respect to the professional work performed in the hospital and as provided by law; shall be organized in a manner approved by the Board; and shall report to and be accountable to the Board. The Medical Staff shall have periodic meetings at regular intervals to review and analyze their clinical experience, and complete and accurate patient medical records shall be the basis for such review and analysis.

7.2 Medical Staff Bylaws, Rules and Regulations.

The Medical Staff shall develop, adopt, and comply with bylaws for the Medical Staffs internal governance, which bylaws shall become effective upon approval by the Board (the “Medical Staff Bylaws”). The Medical Staff may adopt rules and regulations pursuant to the Medical Staff Bylaws, and such rules and regulations become effective when approved by the Board (the “Rules and Regulations”). The Medical Staff Bylaws, Rules and Regulations shall be consistent with applicable law; accreditation standards, if the Hospital seeks accreditation; applicable Hospital policy, and the Articles of Incorporation and Bylaws of this Corporation. Amendments to the Medical Staff Bylaws, Rules and Regulations shall be effective only upon adoption by the Medical Staff and approval by the Board.

7.3 Officers and Medical Executive Committee.

The Medical Staff Bylaws shall provide for the election of officers and the creation of a medical staff executive committee (“Medical Executive Committee”) to carry out Medical Staff responsibilities. The President and CEO of the Hospital or his or her designee may attend each Medical Executive Committee meeting.

7.4 Medical Staff Membership, Clinical Privileges, and Action by the Board.

(a) The Medical Staff Bylaws shall define the criteria and qualifications for appointment and reappointment to the Medical Staff and for the delineation of privileges, including a description of the credentialing process, the privileging process, and the process for appointment

to membership on the Medical Staff. The Medical Staff Bylaws also shall describe the mechanism to perform investigations and to recommend terminations, suspensions, and reductions in privileges, as well as the indications for automatic suspension or summary suspension of a practitioner's Medical Staff membership or privileges and related procedures. Additionally, the Medical Staff Bylaws shall describe the mechanism for a fair hearing and appeal process. The Medical Staff Bylaws shall include provisions for the Medical Staff to adopt and forward to the Board specific written recommendations on all matters of Medical Staff membership status, clinical privileges and corrective action, and to support and document its recommendations in a manner that will allow the Board to take informed action. Final action on all such matters shall be taken by the Board after considering Medical Staff recommendations; provided, however, that the Board shall act without a Medical Staff recommendation if the Board has a reasonable and good faith belief that the Medical Staff has failed to fulfill its responsibilities.

(b) In acting on matters of Medical Staff membership status, the Board shall consider the Medical Staff's recommendations, the supporting information on which they are based, the Corporation's and the community's needs, and such other criteria as are set forth in the Medical Staff Bylaws, which, at a minimum, shall include the individual's character, competence, training, experience, and judgment. No aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, religion, age, creed, color, national origin, sexual orientation, any physical or mental impairment that does not pose a threat to the quality of patient care, or on the basis of any other criterion that is not related to patient care at the Hospital; the member's professional ability, conduct, ethics, and judgment; or the community's needs. Further, no aspect of membership status nor specific clinical privileges shall be limited or denied to a practitioner on the basis of whether the practitioner holds an M.D., D.O., or D.P.M. degree; wherever staffing requirements for a service mandate that the physician responsible for the service be certified or eligible for certification by an appropriate American medical board, such position may be filled by an osteopathic physician who is certified or eligible for certification by the equivalent appropriate American Osteopathic Board.

7.5 Allied Health Professionals.

The Board shall have the authority to determine what categories of allied health professionals ("AHP") may perform services at the Hospital. The Medical Staff has the responsibility and authority to evaluate each AHP application for service authorization and shall make recommendations to the Board regarding such matters. After considering the Medical Staff recommendation, the Board shall take final action on all matters relating to the granting, denying, terminating, or limiting of an AHP's service authorization, provided that the Board may act without a Medical Staff recommendation if the Board has a reasonable and good faith belief that the Medical Staff has failed to fulfill its responsibilities. The hearing procedures set forth in the Medical Staff Bylaws shall not apply to AHPs, unless otherwise provided in the Medical Staff Bylaws or required by law.

7.6 Conflict.

In the event of a conflict between the Medical Staff Bylaws and these Bylaws, these Bylaws shall control.

8. MISCELLANEOUS.

8.1 Indemnification of Directors, Officers and Others.

(a) To the full extent permitted by law and in the manner described in this Section 8.1 and as provided by law, the Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (collectively, "Proceeding"), by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise; provided, however, that except as provided in Section 8.1(c), any indemnification under this Section 8.1 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the person is proper in the circumstances because such person has met the applicable standard of conduct set forth in California Corporations Code Sections 5238(b) or (c) by: (i) a majority vote of a quorum consisting of Directors who are not parties to such proceeding; (ii) approval of the Member with the person(s) to be indemnified not being entitled to vote thereon; or (iii) the court in which such proceeding is or was pending in accordance with California Corporations Code Section 5238(e).

(b) The Corporation shall pay expenses, including attorneys' fees, incurred by a person seeking indemnification under Section 8.1(a) in defending any proceeding referred to in this Section 8.1 in advance of the final disposition of such proceeding as authorized by the Board in the specific case and as permitted by law, upon receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

(c) To the extent that a person seeking indemnification under Section 8.1(a) of these Bylaws has been successful on the merits in defense of any Proceeding referred to in Section 8.1(a) or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith, in accordance with California Corporations Code Section 5238(d).

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against any liability asserted against or incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would be required or would have the power to indemnify such person against such liability under this Section 8.1 or otherwise.

8.2 Checks, Drafts, and Notes.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed

by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

8.3 Execution of Contracts and Other Instruments.

The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.4 Certain Tax Matters. In no case shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Code. Further, if at any time the Member is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time, no payment shall be made under this Article if such payment should constitute an act of self-dealing or a taxable expenditure as defined in Section 4941(d) or Section 4945(d), respectively, of the Code. Moreover, the Member shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Section 4958 of the Code or any other provision of the Code applicable to corporations described in Section 501(c)(3) of the Code.

8.5 Representation of Shares of Other Corporations.

The President and CEO of the Corporation, or his or her delegee, and certain designated Executive and Senior Vice-Presidents, the Secretary, or the CFO is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted to said officers to vote or represent on behalf of the Corporation any and all shares held by the Corporation in any other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officers.

8.6 Offices.

The principal office for the transaction of the business of the Corporation in California is hereby fixed and located within the County of Orange, State of California, at 1201 West La Veta Avenue, Orange, California 92868. The Board is hereby granted full power and authority to change the principal office from one location to another in Orange County. Branch or subordinate offices may be established at any time by the Board at any place or places where the Corporation is qualified to do business.

8.7 Annual Report.

Not later than 120 days after the close of the Corporation's fiscal year, the Board shall cause an annual report to be sent to the Member and to the Directors of the Corporation. Such report shall contain in appropriate detail the following, without limitation:

(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

(e) The information concerning transactions by Directors, officers and other interested persons with the Corporation, or indemnification of such persons by the Corporation, required by Section 6322 of the California Nonprofit Public Benefit Corporation Law.

8.8 Inspection of Corporate Records.

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind of the Corporation, including accounting books and records, except as may be prohibited by privacy or confidentiality rights or requirements applicable to patients, members of the Medical Staff, or employees.

8.9 Rules of Construction. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

9. AMENDMENT OF BYLAWS.

9.1 Amendments.

New Bylaws of the Corporation may be adopted or the Bylaws of the Corporation may be amended or repealed by the Member; provided, however, during the Transition Period, the adoption of new Bylaws of the Corporation or the amended or repeal of the Bylaws of the Corporation shall also require approval of the Board.

CERTIFICATE OF SECRETARY OF [CHILDREN'S HOSPITAL AT MISSION]

I, the undersigned, certify that I am the duly elected and acting Secretary of [CHILDREN'S HOSPITAL AT MISSION] and that the foregoing Amended and Restated Bylaws were duly adopted by the Board of Directors of [Children's Hospital at Mission] to be effective as of [_____, 20__].

Jay M. Gabriel, Secretary
Children's Hospital at Mission

CERTIFICATE OF SECRETARY OF RADY CHILDREN'S HEALTH

I, the undersigned, certify that I am the duly elected and acting Secretary of RADY CHILDREN'S HEALTH, and that the foregoing Amended and Restated Bylaws were duly adopted by the Board of Directors of Rady Children's Health, to be effective as of [_____, 20__].

_____, Secretary
Rady Children's Health

Attachment 4.1(a)

Parent Amended Articles

Attached.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
RADY CHILDREN’S HOSPITAL AND HEALTH CENTER**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Rady Children’s Hospital and Health Center, a California nonprofit public benefit corporation (this “Corporation”).
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

ARTICLE I

The name of this Corporation is Rady Children’s Health.

ARTICLE II

A. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. This Corporation is organized and operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law (the “Code”). Specifically, this Corporation shall be organized, and at all times operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of, and to support: (i) Rady Children’s Hospital – San Diego, a California nonprofit public benefit corporation; (ii) Children’s Hospital of Orange County, a California nonprofit public benefit corporation; (iii) Children’s Hospital at Mission, a California nonprofit public benefit corporation; (iv) Rady Children’s Hospital Foundation – San Diego, a California nonprofit public benefit corporation; and (v) CHOC Foundation, a California nonprofit public benefit corporation (together, the “Supported Organizations”), though only as long as each Supported Organization is exempt from Federal income taxation as an organization described in Section 501(c)(3) of the Code and classified as other than a private foundation pursuant to Section 509(a)(1) or 509(a)(2)

of the Code. Subject to the limitations set forth herein, and consistent with Sections 501(c)(3) and 509(a)(3) of the Code, the Corporation shall have all the general powers set forth in the California Nonprofit Public Benefit Corporation Law, as now in effect or as may hereafter be amended, for charitable public benefit corporations including the power to solicit grants and contributions for such purposes.

ARTICLE III

A. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

B. Notwithstanding any other provision of these articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation as stated herein, and this Corporation shall not carry on any other activities not permitted to be carried on: (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE IV

A. This Corporation shall not have members.

B. The powers of this Corporation shall be exercised, its properties controlled, and its affairs conducted by the Corporation's board of directors as provided in the bylaws of this Corporation.

ARTICLE V

A. The property of this Corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of this Corporation shall ever inure to the benefit of any director or officer thereof, or to the benefit of any other private person.

B. Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to the Supported Organizations, provided that the Supported Organizations are then recognized as tax-exempt under Section 501(c)(3) of the Code. If, at the time of the dissolution or winding up of this Corporation, the Supported Organizations are not organizations which are organized and operated exclusively for charitable purposes which at such time have established their tax-exempt status under Section 501(c)(3) of the Code, then upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to an organization which is organized and operated exclusively for charitable purposes which at such time has established its tax-exempt status under Section 501(c)(3) of the Code.

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the board of directors of this Corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our knowledge:

[Dated: _____, 2024]

Patricio A. Frias, M.D., President

Angela M. Vieira, Secretary

Attachment 4.1(b)

Parent Amended Bylaws

Attached.

**BYLAWS
OF
RADY CHILDREN'S HEALTH**

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BYLAWS
OF
RADY CHILDREN’S HEALTH

ARTICLE I
PARENT

Section 1.1 Corporate Name; Preamble; Purposes. The name of the corporation shall be Rady Children’s Health (the “Parent”). The Parent is a nonprofit public benefit corporation organized and existing under the laws of the State of California. These Bylaws of the Parent (“Bylaws”) are adopted as of [_____, 2024] (the “Effective Date”) to provide for the governance of the Parent. The Parent’s purposes shall at all times be as set forth in the Articles of Incorporation of the Parent (the “Articles of Incorporation”), which provide that the Parent’s primary purposes are, directly or indirectly through one or more subsidiaries, to acquire, establish, maintain, conduct, operate, raise funds for or otherwise support facilities and programs for the benefit of children and adults with diseases, disorders and other health problems with pediatric origins, in and out of the State of California.

As of the Effective Date, the Parent’s subsidiaries include, without limitation: (i) Rady Children’s Hospital – San Diego, a California nonprofit public benefit corporation (“RCHSD”), (ii) Children’s Hospital of Orange County, a California nonprofit public benefit corporation (“CHOC”) and (iii) Children’s Hospital at Mission, a California nonprofit public benefit corporation (“CHAM”). RCHSD, CHOC and CHAM, together with the other subsidiary entities of Parent and their Affiliates listed on Exhibit A hereto, shall be referred to herein individually as a “Member Organization” and collectively as the “Member Organizations.”

Section 1.2 Location. The Parent may have such offices as may be designated from time to time by resolution of the Board of Directors, one of which may be designated as the principal office.

Section 1.3 Members. The Parent shall have no members as that term is defined in Section 5056 of the California Nonprofit Corporation Law.

ARTICLE II
DEFINITIONS

“Affiliate” of a Member Organization means an entity that, directly or indirectly through one or more intermediaries, is controlled by the Member Organization. For purposes of this definition, “control” means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise. Without limiting the generality of the foregoing, “Affiliate” shall include those entities of which a Member Organization is a corporate member and those entities in which a Member Organization owns fifty percent (50%) or more of the voting securities.

“Affiliation Agreement” means that certain Affiliation Agreement dated [_____] by and among Children’s HealthCare of California, Children’s Hospital of Orange County, Children’s Hospital at Mission, Rady Children’s Hospital and Health Center and Rady Children’s Hospital – San Diego, as such may be amended from time to time.

“Change of Control” means: (a) any transaction or series of related transactions of an entity (including, without limitation, merger or consolidation, sale, transfer or other disposition of equity, amendment to the articles of incorporation or bylaws or other applicable governing documents of such entity or other contract or arrangement) that results in another entity becoming the beneficial owner of more than fifty percent (50%) of the voting ownership interests of such entity, (b) the sale, lease, transfer, exchange, disposition or change in use of all or substantially all of the property and assets of an entity, (c) the addition or substitution of a corporate member or members that transfers the control of, responsibility for, or governance of the entity; or (d) a joint venture, management arrangement or similar transaction by an entity with another entity that results in the other entity becoming the owner, operator or manager of all or substantially all of the assets of the entity.

“Emergency” means any of the following events as a result of which, and only as long as, a quorum of the Board cannot be readily convened for action: a disaster called by any County in which Parent or any Member Organization operates or does business or a state of emergency proclaimed by the Governor of California, or by the President of the United States.

“Supermajority Approval” means the affirmative vote of two-thirds (2/3) of the Board of Directors; provided, however, that during the Transition Period (as defined below), Supermajority Approval shall also require the affirmative vote of at least one (1) CHOC Director (as defined below) and one (1) RCHSD Director (as defined below).

ARTICLE III BOARD OF DIRECTORS

Section 3.1 Powers.

(a) General Powers of the Board. The powers of the Parent shall be exercised, its property controlled, and its affairs conducted by the Board of Directors (the “Board of Directors” or “Board”). Additionally, the Board of Directors shall exercise those powers reserved to the Parent as identified in the governing documents of the Member Organizations.

(b) Approval of Certain Actions by Majority Vote of Board. Subject to the approval rights of a Member Organization as set forth in such Member Organization’s organizational documents, the following actions may be taken by the Parent only upon the affirmative vote of a majority of the Board of Directors in accordance with Section 3.8:

(i) Elect individuals to the Board of Directors who are nominated in accordance with Section 3.5(a), Section 3.5(b) or Section 3.5(c);

(ii) Remove individuals from the Board of Directors with or without cause;

(iii) Elect individuals to the Board of Directors of a Member Organization in accordance with the nomination and election process set forth in the Member Organization's Bylaws;

(iv) Remove individuals from the Board of Directors of the Member Organization with or without cause;

(v) After the period between the Effective Date and the July 1st immediately following the sixth (6th) anniversary of the Effective Date (the "Transition Period"), remove or appoint the CEO of the Parent;

(vi) Remove or appoint a successor Chief Executive Officer of a Member Organization;

(vii) Change the corporate structure of the Parent;

(viii) Change the corporate structure of a Member Organization or any of its Affiliates if such change would affect the Member Organization's or its Affiliate's status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law (the "Code");

(ix) Approve a re-branding plan of the Parent, inclusive of a Member Organization or any of their Affiliates (individually or as a system), subject to the Affiliation Agreement and any applicable donative instruments then existing;

(x) Approve the Parent's strategic plans, capital budgets and operating budgets, subject to the Parent's obligations and commitments set forth in the Affiliation Agreement;

(xi) Approve the strategic plans, capital budgets and operating budgets of a Member Organization or any of its Affiliates, subject to the Parent's obligations and commitments set forth in the Affiliation Agreement;

(xii) Approve the Plan for Community Commitment Funds (as such term is defined in the Affiliation Agreement) and any changes thereto;

(xiii) Approve formation of a new obligated group amongst the Parent, Member Organizations and/or any of their Affiliates or add a new member to an existing obligated group;

(xiv) Select the independent auditor that will serve as auditor for the Parent, the Member Organizations and their Affiliates;

(xv) Approve any debt instrument, the incurrence of debt or lending of money by the Parent, a Member Organization or any of its Affiliates, or the entering into of a capital lease, operating lease, or derivative instrument by Parent, a Member Organization or any of its Affiliates, in each case, in amounts at or above Twenty-Five Million Dollars

(\$25,000,000), subject to the Parent's obligations and commitments set forth in the Affiliation Agreement;

(xvi) Sell any real property owned by the Parent, a Member Organization or any of its Affiliates valued at or above Ten Million Dollars (\$10,000,000);

(xvii) Approve the Parent, a Member Organization or any of their Affiliates entering into a settlement or consent decree with a governmental or regulatory agency or non-governmental third party if the settlement or consent decree involves an amount at or above Ten Million Dollars (\$10,000,000);

(xviii) Approve an unbudgeted transaction or expenditure of the Parent, a Member Organization or any of their Affiliates (in a single transaction or a series of related transactions) if the unbudgeted transaction or expenditure involves an amount at or above Ten Million Dollars (\$10,000,000);

(xix) Approve any donation to the Parent, a Member Organization or any of their Affiliates if such donation requires or is conditioned on undertaking any unbudgeted capital or operating expenditure at or above Ten Million Dollars (\$10,000,000);

(xx) Sell, dispose of or transfer fixed assets (including equipment) of the Parent, a Member Organization or any of their Affiliates (in a single transaction or a series of related transactions), if the amount of the assets is at or above Ten Million Dollars (\$10,000,000);

(xxi) Sell, dispose of, or transfer invested assets of the Parent, a Member Organization or any of their Affiliates (in a single transaction or a series of related transactions) where: (a) such sale, disposition or transfer is not covered by the policies or targets approved by the Investment Committee of the Board, and (b) the amount of the invested assets at issue is at or above Two Hundred Million Dollars (\$200,000,000);

(xxii) After the Transition Period, change the mission, vision or values of the Parent;

(xxiii) Approve any decision or act which materially impacts an existing affiliation between the Regents of the University of California and the Parent, a Member Organization or any of their Affiliates;

(xxiv) After the Transition Period, change the mission, vision or values of a Member Organization or any of its Affiliates;

(xxv) Approve changes in the structure of a medical foundation operated by a Member Organization in accordance with Section 1206(l) or 1206(g) of the California Health & Safety Code (a "Medical Foundation"), or approve material changes to a professional services agreement of a Medical Foundation (it being acknowledged that a change in the compensation amount or compensation methodology under a Medical Foundation's professional services agreement shall not constitute a material change);

(xxvi) Approve each community benefit plan of a Member Organization or any of its Affiliates; and

(xxvii) Approve a decision to combine the endowments, investment portfolios and/or cash reserves of the Parent, a Member Organization and/or any of their Affiliates, subject to the restrictions on any such assets.

(c) Approval of Certain Actions by Supermajority Vote of the Board.
Subject to the approval rights of a Member Organization as set forth in such Member Organization's organizational documents, the following actions shall only be taken by the Parent upon Supermajority Approval of the Board of Directors:

(i) During the Transition Period, remove and/or replace a Co-CEO or CEO of Parent, as applicable;

(ii) Approve a Change of Control of the Parent;

(iii) Approve a Change of Control of a Member Organization or any of its Affiliates;

(iv) Elect to voluntarily dissolve the Parent;

(v) Elect to voluntarily dissolve a Member Organization or any of its Affiliates;

(vi) Make material amendments to the Parent's Articles of Incorporation or Bylaws;

(vii) Make material amendments to the governing documents of a Member Organization or any of its Affiliates;

(viii) Approve material changes to the CHC Capital Plan or RCHHC Capital Plan (as such terms are defined in the Affiliation Agreement), provided, however, that during the Transition Period, changes to the sources or amounts of funding set forth in the CHC Capital Plan or RCHHC Capital Plan, or other changes due to the same based on financial deterioration, are each subject to the process and approvals set forth in Section 14.4 of the Affiliation Agreement;

(ix) Change the name of Parent subject to the Affiliation Agreement and any applicable donative instruments or branding plan then existing;

(x) Change the name of a Member Organization or any of its Affiliates, subject to the Affiliation Agreement and any applicable donative instruments or branding plan then existing;

(xi) During the Transition Period, change the mission, vision or values of the Parent;

(xii) During the Transition Period, change the mission, vision or values of a Member Organization or any of its Affiliates;

(xiii) Close a licensed hospital owned and operated by a Member Organization or any of its Affiliates;

(xiv) Add a new entity as a Member Organization; and

(xv) After the Transition Period, approve any Mitigation Plan (as such term is defined in the Affiliation Agreement).

Section 3.2 Number of Directors. The Board of Directors shall consist of twenty-one (21) persons (each a “Director” and collectively the “Directors”).

(a) During Transition Period. During the Transition Period, nine (9) of the Directors shall be nominated by RCHSD (the “RCHSD Directors”) and nine (9) of the Directors shall be nominated by CHOC (the “CHOC Directors”) in accordance with Section 3.5(a) below. Additionally, one (1) Director (the “UCSD Director”) shall be nominated by the School of Medicine of the University of California, San Diego (“UCSD”), one (1) Director (the “UCI Director”) shall be nominated by the School of Medicine of University of California, Irvine (“UCI”), and one (1) Director (the “UCOP Director”, and together with the UCSD Director and the UCI Director, the “University Directors”) shall be nominated by the Office of the President of the University of California (“UCOP”) (collectively, the “University Directors”), each nominated and elected in accordance with Section 3.5(c) below. The RCHSD Directors, CHOC Directors and University Directors serving as of the Effective Date are referred to herein as the “Initial Directors.”

(i) The Chair of the Board of CHOC shall be an ex officio member of the Initial Directors and counted as one (1) of the CHOC Directors;

(ii) The Chair of the Board of RCHSD shall be an ex officio member of the Initial Directors and counted as one (1) of the RCHSD Directors.

(b) After Transition Period. After the Transition Period, the Directors shall include the Chair of the Board of CHOC and the Chair of the Board of RCHSD (together, the “Ex Officio Directors”). After the Transition Period, the Directors shall continue to include the three (3) University Directors, each nominated and elected in accordance with Section 3.5(c) below. After the Transition Period, all Directors other than the Ex Officio Directors and the University Directors shall be nominated by the Governance and Nominating Committee and elected in accordance with Section 3.5(b) below. After the Transition Period, all Directors who are not University Directors shall be referred to herein as the “Non-University Directors.”

Section 3.3 Qualifications of Directors. Directors shall be individuals who: have demonstrated leadership, civic interest and community involvement; have exhibited an awareness of and interest in the provision of health care services, educational or research activities, and the mission, vision and core values of the Parent; possess a willingness to devote the necessary time and effort to the responsibilities of the Board; possess experience in organizational or community activities and/or areas of particular interest, competency, or

expertise beneficial to the Parent; possess a willingness to satisfy fiduciary responsibility as a Board member; have the ability to contribute to the appropriate governance of the Parent and represent the level of diversity described in Section 6.3(a)(i)(2); and be at least 30 years of age. Additionally, the individual Directors should at all times have complementary and diverse skill sets, backgrounds and experiences to contribute to Board effectiveness. In order to best elicit the perspectives of the communities the Parent serves, the Board shall attempt to reflect the diversity of the communities it serves in terms of age, gender, race, color, ethnicity and residence. At least a majority of the total number of Directors shall be individuals, including immediate family members of such individuals, who have no direct or indirect financial relationship with the Parent or any subsidiary or affiliate thereof including by means of employment, providing goods or services, serving on the medical staff or participating in any managed care contracting network (“Independent Directors”). An individual shall not fail to qualify as an Independent Director solely on the basis of (i) having been a patient of any subsidiary or affiliate of the Parent or (ii) receiving compensation exclusively for services rendered prior to the appointment. Directors shall be expected to attend meetings on a regular basis, except they may be excused from time to time with reasonable advance notice to the Secretary of the Board.

Section 3.4 Term of Office. The Initial Directors shall each serve an initial term of three (3) years. In order to stagger the terms of the Initial Directors, each Initial Director has been assigned a term of one (1), two (2) or three (3) years, such that one-third (1/3) of the Board of Directors shall be elected or re-elected, as applicable, each subsequent year commencing with the third (3rd) anniversary of the Effective Date. At each annual meeting of the Board of Directors, Directors shall be elected to fill the expiring terms of office and any other vacancies on the Board of Directors which have not been previously filled. Vacancies on the Board may remain unfilled at the discretion of the Board of Directors; provided, however, the Board of Directors shall not leave a vacancy unfilled if doing so would result in the Board being comprised of fewer Directors than as of the Effective Date. Except as expressly set forth herein, persons elected or re-elected, as applicable, as Directors at each annual meeting of the Board shall be elected to serve for a three (3) year term. Any Director who has served three (3) terms of three (3) years each (it being acknowledged that a Director must be elected in accordance with these Bylaws to serve such maximum number of terms), may be reappointed to the Parent Board only following a period of at least twelve (12) months during which that person did not serve as a Director of the Parent (for these purposes, a partial term that is less than a full three (3) year term shall not be considered). As used in these Bylaws, the term “year” means the period from the annual meeting of the Board at which a Director is elected to the next succeeding annual meeting of the Board.

Section 3.5 Election of Directors.

(a) RCHSD Directors and CHOC Directors - During Transition Period. During the Transition Period, at least sixty (60) days before each annual meeting of the Board of Directors: (i) RCHSD shall select a list of nominees to fill the offices of the RCHSD Directors whose terms will expire and such other vacancies of RCHSD Directors which have not been previously filled, and (ii) CHOC shall select a list of nominees to fill the offices of the CHOC Directors whose terms will expire and such other vacancies of CHOC Directors which have not been previously filled. RCHSD and CHOC shall file with the Secretary of the Parent a written list of such nominees. At least five (5) business days before the date of such meeting,

the Secretary shall send notice of the names of the nominees to each member of the Board of Directors. The term “business days” means Monday through Friday, unless one of those days is a legal holiday as defined under California law.

(i) Nomination a Prerequisite to Election. During the Transition Period, no person shall be eligible for election as a RCHSD Director or a CHOC Director at an annual meeting of the Board unless they have been nominated by RCHSD or CHOC, as applicable, in the manner provided for in this Section 3.5(a), except that at any time before the annual meeting of the Board, if by reason of the death, declination, removal, resignation or incapacity of any nominee, the number of nominees remaining is less than the number of RCHSD or CHOC Directors to be elected, nominations to supply such deficiency may be made by RCHSD or CHOC, as applicable, at, or any time before, the annual meeting.

(ii) Vote Required for Election. During the Transition Period, the nominees to serve as RCHSD Directors or CHOC Directors receiving a majority vote at such annual meeting of the Board shall be declared elected. If, at the annual meeting of the Board, the Board fails to elect any of the individuals nominated by RCHSD or CHOC, RCHSD and/or CHOC, as applicable, shall promptly propose alternative nominees for election by the Board, and thereafter a special meeting of the Board shall promptly be called for the purpose of voting on the election of such alternative nominees. The process set forth in the foregoing sentence shall continue until such time as the Board has elected individuals to fill the offices of all Directors with expiring terms.

(b) Non-University Directors - After Transition Period. After the Transition Period, at least sixty (60) days before each annual meeting of the Board of Directors, the Governance and Nominating Committee shall select a list of nominees to fill the offices of the Directors (except the University Directors and Ex Officio Directors) whose terms will expire and such other vacancies of Directors which have not been previously filled. The Governance and Nominating Committee shall file with the Secretary of the Parent a written list of such nominees. At least five (5) business days before the date of such meeting, the Secretary shall send notice of the names of the nominees to each member of the Board of Directors.

(i) Nomination a Prerequisite to Election. After the Transition Period, no person shall be eligible for election as a Director (except as a University Director or an Ex Officio Director) at an annual meeting of the Board unless they have been nominated by the Governance and Nominating Committee, in the manner provided for in this Section 3.5(b), except that at any time before the annual meeting of the Board, if by reason of the death, declination, removal, resignation or incapacity of any nominee, the number of nominees remaining is less than the number of Directors to be elected, nominations to supply such deficiency may be made by the Governance and Nominating Committee, at, or any time before, the annual meeting.

(ii) Vote Required for Election. After the Transition Period, the nominees receiving a majority vote at such annual meeting of the Board shall be declared elected. If, at the annual meeting of the Board, the Board fails to elect any of the individuals nominated by the Governance and Nominating Committee, the Governance and Nominating Committee shall promptly propose alternative nominees for election by the Board, and thereafter

a special meeting of the Board shall promptly be called for the purpose of voting on the election of such alternative nominees. The process set forth in the foregoing sentence shall continue until such time as the Board has elected individuals to fill the offices of all Directors (except the University Directors and Ex Officio Directors) with expiring terms.

(c) University Directors – During and After Transition Period. During and after the Transition Period, at least sixty (60) days before each annual meeting of the Board of Directors: (i) UCSD shall select a nominee to fill the office of the UCSD Director if the term of the UCSD Director will expire or if there is a vacancy in the seat of the UCSD Director that has not been previously filled, (ii) UCI shall select a nominee to fill the office of the UCI Director if the term of the UCI Director will expire or if there is a vacancy in the seat of the UCI Director that has not been previously filled, and (iii) UCOP shall select a nominee to fill the office of the UCOP Director if the term of the UCOP Director will expire or if there is a vacancy in the seat of the UCOP Director that has not been previously filled. UCSD, UCI or UCOP, as applicable, shall file the nominee(s) with the Secretary of the Parent. At least five (5) business days before the date of such meeting, the Secretary shall send notice of the names of the nominee(s) to each member of the Board of Directors. The term “business days” means Monday through Friday, unless one of those days is a legal holiday as defined under California law.

(i) Nomination a Prerequisite to Election. No person shall be eligible for election as a University Director at an annual meeting of the Board unless they have been nominated by UCSD, UCI or UCOP, as applicable, in the manner provided for in this Section 3.5(a), except that at any time before the annual meeting of the Board, if by reason of the death, declination, removal, resignation or incapacity of any nominee, the number of nominees remaining is less than the number of University Directors to be elected, nominations to supply such deficiency may be made by UCSD, UCI or UCOP, as applicable, at, or any time before, the annual meeting.

(ii) Vote Required for Election. The nominees to serve as UCSD Director, UCI Director or UCOP Director receiving a majority vote at such annual meeting of the Board shall be declared elected. If, at the annual meeting of the Board, the Board fails to elect any of the individuals nominated to be a University Director, UCSD, UCI or UCOP, as applicable, shall promptly propose an alternative nominee for election by the Board, and thereafter a special meeting of the Board shall promptly be called for the purpose of voting on the election of such alternative nominee. The process set forth in the foregoing sentence shall continue until such time as the Board has elected individuals to fill the offices of all University Directors with expiring terms.

Section 3.6 Vacancies.

(a) During Transition Period. During the Transition Period, Vacancies occurring in the Board of Directors from time to time shall be filled in accordance with Section 3.5(a) for RCHSD Directors and CHOC Directors and Section 3.5(c) for University Directors. Each Director elected to fill a vacancy shall hold office for the unexpired term of such Director’s predecessor.

(b) After Transition Period. After the Transition Period, Vacancies occurring in the Board of Directors from time to time shall be filled in accordance with Section 3.5(c) for University Directors and Section 3.5(b) for Non-University Directors who are not Ex Officio Directors. Each Director elected to fill a vacancy shall hold office for the unexpired term of such Director's predecessor.

Section 3.7 Board Orientation. The Board will require each newly elected member of the Board of Directors to participate in an orientation program designed to enhance that Director's understanding of the Director's new responsibilities.

Section 3.8 Quorum of Board of Directors; Adjournment.

(a) A majority of the actual number of Directors (excluding vacant Director seats) shall constitute a quorum for any meeting of the Board; provided, however, that during the Transition Period a quorum shall also require the attendance of at least one (1) CHOC Director and one (1) RCHSD Director at a meeting of the Board.

(b) If a quorum is not present at any meeting of the Board, such meeting may be adjourned from time to time until a quorum shall be obtained. Each such adjournment, and the reason therefore, shall be recorded in the minutes of the Parent.

(c) Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law, by the Articles of Incorporation, or by another provision of these Bylaws; provided, however, that during the Transition Period every act or decision done or made by the Board shall require the affirmative vote of at least one (1) CHOC Director and one (1) RCHSD Director.

(d) A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned to a different calendar date, notice of an adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment in accordance with the notice procedure set forth in Section 3.12.

Section 3.9 Annual Meeting of the Board. An annual meeting of the Board of Directors shall be held as provided in Section 4.1 for the election of Directors for the succeeding year, if applicable. At this meeting, in addition to any other business of the Parent, the officers of the Parent shall be elected.

Section 3.10 Regular Meetings of the Board. In addition to the annual meeting of the Board of Directors, the Board of Directors shall hold at least three (3) regular meetings of the Board of Directors per year at the time and place fixed by the Board of Directors.

Section 3.11 Special Meetings of the Board. On call of either the Chairperson of the Board of Directors, the Vice-Chairperson of the Board of Directors, the CEO or one-third (1/3) of the members of the Board of Directors then in office, a special meeting of the Board may be held at a time and place designated in the call.

Section 3.12 Written Notice of Meetings. The Secretary shall give notice of each regular or special meeting to each member of the Board of Directors by any of the following means:

- (a) In person at least forty-eight (48) hours prior to the time designated for the holding of the meeting;
- (b) Electronically directed to the electronic address of a Director as set forth in the books and records of the Parent, sent at least forty-eight (48) hours prior to the time designated for the holding of the meeting; or
- (c) By written notice directed to the address of the Director as it appears on the books and records of the Parent and deposited in the United States mail in the County of Orange or San Diego at least four (4) calendar days prior to the time designated for the holding of the meeting.
- (d) Any notice of a special meeting of the Board of Directors shall specify the primary purpose therefor.
- (e) Any Director shall be deemed to have waived the requirement of a formal notice of a meeting of the Board of Directors when they:
 - (i) Do so in writing either before, at or after the meeting;
 - (ii) Participate in or attends such meeting; or
 - (iii) Ratify or approve in writing such action (and such assent is recorded in the minutes).

Section 3.13 Telephonic or Electronic Meetings. Directors may participate in a meeting through the use of conference telephone, electronic video screen communication, or electronic transmission by and to the Parent pursuant to Section 5211(a) of the California Nonprofit Corporation Law. Participation in a meeting through use of conference telephone or electronic video screen communication constitutes attendance in person, so long as all participating Directors can hear one another. Participation in a meeting through use of electronic transmission by and to the Parent, other than conference telephone and electronic video screen communication constitutes attendance in person at such meeting, so long as all participating Directors can communicate with all of the other Directors concurrently and each Director is able to participate in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Parent. Board Committee members may participate in Board Committee meetings through the same means of communication and in accordance with the same processes set forth in this Section 3.13.

Section 3.14 Action by Written Consent. Except as otherwise provided in these Bylaws, any action required or permitted to be taken by the Board of Directors or a Board Committee under any provision of law or by these Bylaws may be taken without a meeting if all members of the Board of Directors or Board Committee shall individually or collectively consent in writing to such action. Such written consent shall be filed with the Board of Directors minutes

or minutes of the applicable Board Committee. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors or Board Committee. Any certificate or other document filed under this Section which relates to an action so taken shall state that the action was taken by unanimous written consent of the Board of Directors or Board Committee without a meeting, and that the Bylaws authorize the Directors or Board Committee members to so act, and such statement shall be prima facie evidence of such authority. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “in writing” and “written” include forms of recorded message in the English language capable of comprehension by ordinary visual means and include electronic transmissions, each consistent with industry best practice, and provided that in each case the process for delivering the recorded message or electronic transmission allows for prompt verification that the individual purporting to deliver the recorded message or electronic transmission is in fact that deliverer of the recorded message or electronic transmission.

Section 3.15 Conflict of Interest Policies. The Board of Directors shall establish and adopt for the Parent policies and procedures for determining when an actual or potential conflict of interest exists, addressing all such conflicts of interest, and ensuring appropriate remedies for failure to comply with said policies. All members of the Board of Directors shall annually complete an accurate Conflict of Interest Questionnaire consistent with the Parent’s Conflict of Interest Policy from time to time in effect. Any Board member who fails to return the required Conflict of Interest Questionnaire within sixty (60) days of the date it is sent to such Board member may be removed from Board membership. Individuals who are not members of the Board but who are otherwise required to return a complete and accurate conflict of interest questionnaire pursuant to Board-approved conflict of interest policies may be removed by the Board of Directors from Board meetings, Board Committee meetings, research responsibilities or key administrative positions (as the case may be) for failure to return the conflict of interest questionnaire within sixty (60) days of the date it is sent to such individual, subject to the provisions of the relevant policies. Nothing contained herein shall alter the requirement that conflicts of interest be disclosed in writing more frequently than annually should one arise between the dates that the annual conflict of interest questionnaire is required to be completed.

Section 3.16 Self-Dealing Transactions. In accordance with Section 5233 of the California Nonprofit Corporation Law, the Parent shall not be a party to a transaction in which one or more of its Directors has a “material financial interest” within the meaning of said Section 5233 (each, an “Interested Director”) unless:

(a) The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(b) Prior to entering into the transaction, after full disclosure to the Board of all material facts as to the proposed transaction and the Interested Director’s interest and investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(i) Resolves and finds that (1) the transaction is in the Parent's best interests and for the Parent's own benefit, (2) the transaction is fair and reasonable as to the Parent, and (3) after reasonable investigation under the circumstances as to alternatives, the Parent could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(ii) Approves the entire transaction; or

(c) If it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, and, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in paragraph (b) of this Section; and the Board, after determining in good faith that the Parent entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Parent at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director.

Section 3.17 Loans. Except as permitted by Section 5236 of the California Nonprofit Corporation Law, the Parent shall not make any loan of money or property to or guarantee the obligation of any Director or officer, of any other person in a position to exercise substantial influence over the affairs of the Parent.

Section 3.18 Compensation of Directors; Substantial Contributors. The Parent shall not pay compensation to Directors for services rendered to the Parent, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Parent, in reasonable amounts as approved by the Board of Directors; provided, however, that in no event shall the Parent reimburse the expenses of any "substantial contributor" to the Parent, or any family member of a substantial contributor, as defined in Sections 4958(c)(3)(B) and (C) of the Code.

Section 3.19 Emergency Action. In anticipation of or during an Emergency, the Board may: (i) modify lines of succession to accommodate the incapacity of any Director, officer, employee, or agent resulting from the Emergency; (ii) relocate the principal office or authorize the officers to do so; (iii) give notice to a Director or Directors in any practicable manner under the circumstances; and (iv) deem that one or more officers present at a board meeting is a Director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. In anticipation of or during an Emergency, the Board may not take any action that is not in the Parent's ordinary course of business. Any actions taken in good faith under this Section 3.19 may not be used to impose liability on a Director, officer, employee, or agent.

ARTICLE IV MEETINGS OF THE BOARD

Section 4.1 Annual Meetings of the Board. The annual meeting of the Board of Directors shall be held at such place and time as may be determined by the Board of Directors.

Section 4.2 Vote. Each member of the Board of Directors shall have one (1) vote in any action voted upon by the Board or a Board Committee to which such member is appointed.

Votes may be cast only by members in attendance at a meeting except as provided in Section 3.13 and Section 3.14. Votes may not be cast by proxy.

ARTICLE V OFFICERS OF PARENT

Section 5.1 Enumeration of Officers.

(a) The officers of the Parent shall be: Chairperson of the Board of Directors (the “Chairperson”), Vice-Chairperson of the Board of Directors (the “Vice-Chairperson”), President and Chief Executive Officer (“CEO”), Treasurer, Secretary, and such other officers as may be elected or appointed in accordance with Section 5.2 and Section 5.3, as the case may be. The officers shall be subject to the rights, if any, of any officer under any contract of employment. One person may hold two or more offices, except neither the Secretary nor the Treasurer may serve concurrently as the CEO or the Chairperson. Only members of the Board shall be eligible to hold the offices of Chair and Vice-Chair.

(b) Notwithstanding the foregoing, during the initial two (2) years after the Effective Date (the “Co-CEO Period”), there shall be two Chief Executive Officers of the Parent (each a “Co-CEO”).

Section 5.2 Election of Officers.

(a) Co-CEOs. The Co-CEOs shall be: (i) the individual serving as the President and Chief Executive Officer of Children’s HealthCare of California immediately prior to the Effective Date (the “CHOC Co-CEO”), and (ii) the individual serving as the President and Chief Executive Officer of Rady Children’s Hospital and Health Center immediately prior to the Effective Date (the “Rady Co-CEO”). Such individuals shall serve as the Co-CEOs during the Co-CEO Period. A vacancy in the office of Co-CEO may be filled prior to the next annual meeting of the Board at the next succeeding regular meeting of the Board in accordance with the approvals required under Section 3.1 and Section 5.3

(b) Election of CEO After Co-CEO Period. After the Co-CEO Period, the Rady Co-CEO shall serve as sole President and CEO and shall hold office until his successor shall be appointed and qualified to serve, or until he shall resign or shall be removed or disqualified to serve. A vacancy in the office of CEO may be filled prior to the next annual meeting of the Board at the next succeeding regular meeting of the Board in accordance with the approvals required under Section 3.1 and Section 5.3.

(i) After the Co-CEO Period, the CHOC Co-CEO shall serve as President Emeritus of the Parent (the “President Emeritus”) for a period of one (1) year. The President Emeritus shall serve as an advisor to the CEO. The term of the President Emeritus shall be extended for an additional one (1) year period upon the mutual consent of the CEO and the President Emeritus. For the avoidance of doubt, the President Emeritus role shall not be an Officer of the Board.

(c) Election of Chairperson. The Chairperson as of the Effective Date shall be the RCHSD Director set forth in the Affiliation Agreement, and such individual shall serve as

Chairperson for a period of two (2) years after the Effective Date. Thereafter, a CHOC Director nominated by CHOC shall be elected by majority vote of the Board to serve as Chairperson for the third (3rd) and fourth (4th) years after the Effective Date. Thereafter, an RCHSD Director nominated by RCHSD shall be elected by majority vote of the Board to serve as Chairperson for the fifth (5th) and sixth (6th) years after the Effective Date. Thereafter, election to the office of Chairperson shall occur by majority vote of the Board of Directors. Subject to the foregoing, a vacancy in the office of Chairperson may be filled prior to the next annual meeting of the Board by majority vote at the next succeeding regular meeting of the Board.

(d) Election of Vice-Chairperson. The Vice-Chairperson as of the Effective Date shall be the CHOC Director set forth in the Affiliation Agreement, and such individual shall serve as Vice-Chairperson for a period of two (2) years after the Effective Date. Thereafter, an RCHSD Director nominated by RCHSD shall be elected by majority vote of the Board to serve as Vice-Chairperson for the third (3rd) and fourth (4th) years after the Effective Date. Thereafter, a CHOC Director nominated by CHOC shall be elected by majority vote of the Board to serve as Vice-Chairperson for the fifth (5th) and sixth (6th) years after the Effective Date. Thereafter, election to the office of Vice-Chairperson shall occur by majority vote of the Board of Directors. Subject to the foregoing, a vacancy in the office of Vice-Chairperson may be filled prior to the next annual meeting of the Board by majority vote at the next succeeding regular meeting of the Board.

(e) Election of Other Officers.

(i) During the Co-CEO Period. During the Co-CEO Period, the Co-CEOs will appoint individuals to serve as Treasurer and Secretary. A vacancy in the offices of Treasurer and Secretary during the Co-CEO Period shall be appointed by the Co-CEOs.

(ii) Following the Co-CEO Period. Following the Co-CEO Period, election to the offices of Treasurer and Secretary shall occur at the annual meeting of the Board by a majority vote of the Board of Directors. A vacancy in the offices of Treasurer and Secretary may be filled by the CEO prior to the next annual meeting of the Board and approved by majority vote of the Board at the next succeeding regular meeting of the Board.

(f) The term of office for all persons elected at the annual meeting shall commence at the conclusion of such meeting.

Section 5.3 Removal and Appointment.

(a) Co-CEOs. Any decision to remove and/or replace the CHOC Co-CEO during the Co-CEO Period shall require the Supermajority Approval of the Parent Board and the approval of CHOC's Board of Directors. Any decision to remove and/or replace the Rady Co-CEO during the Co-CEO Period shall require the Supermajority Approval of the Parent Board and the approval of RCHSD's Board of Directors.

(i) During the Transition Period but Following the Co-CEO Period. Any decision to remove and/or replace the CEO during the Transition Period but following the Co-CEO Period shall require a Supermajority Approval of the Parent Board.

(ii) Following the Transition Period. Any decision to remove and/or replace the CEO following the Transition Period shall require a majority vote of the Parent Board.

(b) Removal of Other Officers. During the Co-CEO Period, the Co-CEOs, through joint approval, shall have the authority to remove all other officers (except the Chairperson and the Vice-Chairperson). After the Co-CEO Period, the sole CEO shall have the authority to remove all other officers (except the Chairperson and the Vice-Chairperson).

Section 5.4 Term of Officers.

(a) The Co-CEOs shall serve for the Co-CEO Period. After the Co-CEO Period, the Rady Co-CEO shall serve as sole President and CEO and shall hold office until his successor shall be appointed and qualified to serve, or until he shall resign or shall be removed or disqualified to serve.

(b) During the Transition Period, the Chairperson shall serve in accordance with Section 5.2(c). After the Transition Period, the Chairperson shall be elected to serve for a term of one (1) year. No person shall serve as Chairperson for more than [] term(s).

(c) During the Transition period, the Vice-Chairperson shall serve in accordance with Section 5.2(d). After the Transition Period, the Vice-Chairperson shall be elected to serve for a term of one (1) year. No person shall serve as Vice-Chairperson for more than [] term(s).

(d) The Secretary shall be elected to serve for a term of one (1) year. There shall be no restriction on the number of terms that the Secretary may serve.

(e) The Treasurer shall be elected to serve for a term of one (1) year. There shall be no restriction on the number of terms that the Treasurer may serve.

(f) The respective limitations on the term of office set forth in this Section 5.4 shall not include that part of an officer's tenure to the extent that such officer was elected to fill the unexpired term of office for their predecessor.

Section 5.5 Powers and Duties of Officers.

(a) The Chairperson shall:

(i) preside at all meetings of the Board of Directors;

(ii) periodically review and evaluate the performance of the Co-CEOs or sole CEO, as applicable, in the discharge of that office's responsibilities, and have the authority to direct the Co-CEOs or CEO, as applicable, in the execution of the policies and programs established from time to time by the Board of Directors;

(iii) exercise the powers and duties accorded to the Chairperson pursuant to these Bylaws;

(iv) exercise such other powers and duties requested from time to time by the Board of Directors;

(v) serve as the liaison between the Board of Directors and all of the Board Committees, and in this regard the Chairpersons of all such Board Committees periodically and promptly shall report to the Chairperson all decisions, recommendations and proposed actions of their respective Board Committees.

(b) The Vice-Chairperson of the Board of Directors shall:

(i) assist the Chairperson in carrying out the duties and responsibilities of the Chairperson;

(ii) act in place of the Chairperson when requested by the Chairperson;

(iii) serve as the Chairperson of the Board of Directors in the event the Chairperson retires, resigns or is otherwise incapable, unable or unwilling to complete the elected term until a new Chairperson is elected by the Board of Directors; and

(iv) perform such other duties as the Board of Directors may from time to time designate.

In the event the Vice-Chairperson of the Board of Directors becomes the Chairperson under circumstances set forth in subsection (b)(iii), such individual shall serve as the Chairperson of the Board of Directors until the next annual meeting of the Board.

(c) The CEO (or Co-CEOs, as applicable) shall:

(i) be the chief executive officer(s) of the Parent;

(ii) act as the representative of the Board of Directors in all matters pertaining to the administration of the business and the affairs of the Parent;

(iii) be an invited guest to all Board meetings and Board Committee meetings; provided, however, the Board or Board Committee may exclude the CEO (or Co-CEOs) from any particular meeting or portion of a meeting if it deems it appropriate to do so;

(iv) execute the policies of the Board of Directors in managing the Parent's business and affairs;

(v) participate in the formulation of policies and the development, coordination and execution of corporate programs; and

(vi) be responsible to the Board of Directors.

During the Co-CEO Period, each Co-CEO shall be responsible for the chief executive officer duties and responsibilities prescribed to such Co-CEO on Exhibit B, attached hereto and incorporated herein; provided, however, the Co-CEOs shall jointly report to the Board and all

final decisions that fall within the scope of either Co-CEO's duties and responsibilities shall be jointly approved by both Co-CEOs. During the Co-CEO Period, if the Co-CEOs do not both agree on any issue or decision that falls within the scope of either Co-CEO's duties and responsibilities, the Co-CEOs shall first present the issue promptly to the Chairperson and Vice-Chairperson for resolution. If the Chairperson and Vice-Chairperson cannot resolve the issue, they shall convene a committee for the purpose of deciding on such issue (the "Advisement Committee"), which shall be comprised of the Chairperson, Vice-Chairperson, an additional CHOC Director and an additional RCHSD Director. Decisions of the Advisement Committee shall be made promptly and shall require the majority approval of all members of the Advisement Committee. The Advisement Committee's decisions will be adhered to by the Co-CEOs with respect to any issues presented by the Co-CEOs to the Advisement Committee.

(d) The Treasurer shall be the treasurer of the Parent and shall:

(i) supervise the collecting, receipt, deposit and distribution of all funds of the Parent, the Member Organizations and their Affiliates as directed by the Board of Directors;

(ii) cause to be kept regular books of account financial records of the Parent and account for the Treasurer's actions and of the financial condition of the Parent as the Board of Directors requires from time to time; and

(iii) perform such other duties as are assigned the Treasurer from time to time by the Board of Directors.

(e) The Secretary shall, or shall cause the appropriate officers to:

(i) keep full and complete minutes of the meetings of the Board of Directors and Board Committees, and when notice of a meeting is required by law or by these Bylaws give notice of each such meeting;

(ii) keep at the principal office of the Parent records containing the name and address of each member of the Board of Directors and the Board Committee members and record the date of election of such member, the duration of that membership, and the date on which the membership ceased;

(iii) keep at the principal office of the Parent the original or a copy of its Articles of Incorporation and shall record all Bylaws of the Parent as amended to date, which Bylaws and amendments shall be reviewed annually, revised as necessary, and dated to indicate the time of last review;

(iv) maintain custody of accounts and other records of the Parent except such books or records which are in the custody of the Treasurer; and

(v) generally perform such other duties as are assigned to the Secretary from time to time by the Board of Directors.

Section 5.6 Compensation of Employees. Compensation may be paid by the Parent to officers who are also employees of the Parent in such amounts as are determined from time to time by the Executive Compensation Committee of the Board.

ARTICLE VI BOARD COMMITTEES

Section 6.1 Creation of Committees; Function. The Board of Directors shall appoint the members and the Chairpersons of the committees duly constituted by the Board (the “Board Committees”). Board Committees shall be delegated with the authority to act on behalf of the Board by these Bylaws or by specific Board resolutions (each such committee, a “Committee with Delegated Authority”), or Board Committees shall act by making recommendations to the Board but without delegated authority to act on behalf of the Board (each such committee, an “Advisory Committee”). Each Board Committee shall be chaired and co-chaired solely by members of the Board. Board Committees shall not otherwise establish policy for the Parent or act on behalf of the Board except pursuant to a specific resolution adopted by the Board.

Section 6.2 Committees with Delegated Authority. Committees with Delegated Authority shall be comprised solely of persons who are members of the Board, and during the Transition Period, Committees with Delegated Authority shall be comprised of an equal number of CHOC Directors and RCHSD Directors, and shall include other Directors as expressly set forth below in this Section 6.2; provided, however, that the Co-CEOs or CEO, as applicable, shall also attend such meetings unless appropriately recused due to conflict of interest. The Parent shall have the following standing Committees with Delegated Authority: (a) an Executive Committee and (b) an Executive Compensation Committee. The term of each Committee with Delegated Authority shall terminate at the discretion of the Board.

(a) Executive Committee. There shall be an Executive Committee of the Board (the “Executive Committee”) consisting of seven (7) Directors. One (1) member of the Executive Committee shall be a University Director. Except as otherwise prohibited by law, the Executive Committee shall have delegated authority of the Board in the management of the business and affairs of the Parent, provided, however, that the delegation of authority to it shall not operate to relieve the Board or any Director of any responsibility imposed by law, by the Parent’s Articles of Incorporation or by these Bylaws. The Executive Committee shall have only those powers specifically delegated to it by written resolution of the Board. The Executive Committee shall establish rules and regulations for its meetings and meet at such times and places as shall be fixed by the Chairperson, provided that a reasonable notice as required by law, shall be given of all meetings of the Executive Committee, and no act of the Executive Committee shall be valid unless approved by the vote of a majority of the members of the Executive Committee present at a meeting at which a quorum is then present; provided, however, that the dissenting opinion of any member of the Executive Committee may be reported to the Board. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board from time to time as the Board may require. A quorum of the members of the Executive Committee may adjourn any meeting thereof to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the Executive Committee members present at any meeting of the Executive Committee may adjourn until the time fixed for the next meeting of the Executive Committee. The Executive Committee may establish such

subcommittees as it deems appropriate, provided that any such subcommittee shall be advisory to the Executive Committee and shall not be delegated authority of the Executive Committee.

(b) Executive Compensation Committee. There shall be an Executive Compensation Committee of the Board (the “Executive Compensation Committee”) consisting of six (6) Directors. Except as otherwise prohibited by law, the Executive Compensation Committee shall have delegated authority of the Board in the management of the business and affairs of the Parent, provided, however, that the delegation of authority to it shall not operate to relieve the Board or any Director of any responsibility imposed by law, by the Parent’s Articles of Incorporation or by these Bylaws. The Executive Compensation Committee, in its discretion, or upon request by the CEO as to particular executive management personnel, may review such executive management personnel employed by the Parent, a Member Organization or any of their Affiliates. The Executive Compensation Committee shall consult with and may make recommendations to the CEO regarding the compensation of the individuals reviewed by the Executive Compensation Committee.

Section 6.3 Advisory Committees. The Board may create one or more Advisory Committees, each consisting of two or more persons. Advisory Committees may be comprised of Directors only, Directors and non-Directors, or non-Directors only, and also may include non-voting members and alternate members. The composition of each Advisory Committee shall be set forth in a charter for such Advisory Committee that has been approved by the Board. The chair and members of Advisory Committees shall be appointed by the Board. An “Advisory Committee” is a committee that serves in an advisory capacity to the Board and/or the CEO, and shall have such authority as is conferred by these Bylaws or by the Board, except that any authority of an Advisory Committee shall be subordinate to that of the Board, and no Advisory Committee may have or exercise the authority of the Board. Advisory Committees may include special committees or ad hoc committees, and upon completion of the task for which it was created, each special committee or ad hoc committee shall be discharged. The chair and each member of each special committee or ad hoc committee shall serve for the life of the committee unless they are appointed for a term or sooner removed, resign, or cease to qualify as a chair or member, as the case may be, of such committee. Advisory Committees shall report their findings and recommendations to the Board and/or the CEO, as appropriate. The standing Advisory Committees shall consist of: (a) Governance and Nominating Committee, (b) Audit and Compliance Committee, (c) Finance Committee, (d) Investment Committee, and (e) such other Advisory Committees as may be established from time to time in accordance with this Section 6.3. The term of each Advisory Committee shall terminate at the discretion of the Board.

(a) Governance and Nominating Committee. There shall be a Governance and Nominating Committee of the Board (the “Governance and Nominating Committee”).

(i) The purpose of the Governance and Nominating Committee is to:

(1) nominate individuals to serve on the Board of Directors after the Transition Period in accordance with Section 3.5;

(2) steward, seek and promote diversity on the Board and report regularly to the Board on diversity efforts including without limitation demographics, geography, skillsets and competencies;

(3) provide for succession planning for members of the Board;

(4) review the bylaws of the Parent as needed and submit to the Board reports based on its review, including any recommendations for changes to the Bylaws;

(5) develop and oversee appropriate education for members of the Board;

(6) oversee the periodic review of the performance of the members of the Board both individually and collectively; and

(7) have such other duties as may be assigned to it by the Board.

(ii) To commence the nomination process with respect to Directors, the Governance and Nominating Committee shall meet on a date no less than ninety (90) days preceding the date of a meeting at which the election of Directors is to be held. The Governance and Nominating Committee shall carefully consider all recommendations received and any other recommendations made by the Governance and Nominating Committee itself, provided such recommendations are received by the Governance and Nominating Committee, in writing, not later than ninety (90) days prior to the date of the election. Qualifications of nominees to be considered by the Governance and Nominating Committee shall be the ability of potential nominees to participate effectively in fulfilling the responsibilities of the Board, and to provide the Board with a broad representation of the community served by the Parent. The Governance and Nominating Committee shall recommend candidates to the Board in accordance with Section 3.5.

(b) Finance Committee. There shall be a Finance Committee. The Treasurer (or their designee) shall be an invited guest to all Finance Committee meetings. The Finance Committee shall meet at least four (4) times during the Fiscal Year. The Finance Committee shall perform the following functions on behalf of Parent, the Member Organizations and their Affiliates:

(i) Consider and recommend to the Board plans for securing capital and operating funds;

(ii) Determine and make recommendations to the Boards concerning the financial feasibility of corporate projects, acts, and undertakings referred to it by the Board;

(iii) Review and make recommendations to the Board concerning capital and annual operating budgets;

(iv) Review the financial statements, appraise the operating performance, and make recommendations thereon to the Board;

(v) Make recommendations to the Board concerning the financial operation of, and services required by and provided to, the Parent, the Member Organizations and their Affiliates;

(c) Investment Committee. There shall be an Investment Committee, which shall be a subcommittee of the Finance Committee. The Treasurer (or their designee) shall be an invited guest to all Investment Committee meetings. The Investment Committee shall meet at least four (4) times during the Fiscal Year. The Investment Committee shall perform the following functions on behalf of Parent, the Member Organizations and their Affiliates:

(i) Develop, periodically review, and revise, as appropriate, investment policies for approval by the Board;

(ii) Provide for the management of investment portfolios within the framework of an approved investment policy and consistent with established guidelines;

(iii) Set and approve the asset allocation in the investment portfolios and regularly monitor compliance;

(iv) Select for Board approval outside investment management firms with specific expertise in diversified portfolio management;

(v) Review investment objectives at least annually to assure the continued feasibility of achieving investment objectives and the continued appropriateness of the investment policy;

(vi) Review investment manager performance at least semi-annually;

(vii) Report at least semi-annually to the Board on the status of the investment portfolio; and

(viii) Perform such other functions as may be determined by the Board from time to time.

(d) Audit and Compliance Committee. There shall be an Audit and Compliance Committee. The Audit and Compliance Committee shall meet at least three (3) times during the Fiscal Year. The Audit and Compliance Committee shall perform the following functions on behalf of the Parent, the Member Organization and their Affiliates:

(i) Make recommendations to the Board regarding the retention and termination of the independent auditor(s);

- (ii) Negotiate the independent auditor's compensation, subject to the supervision of the Board;
- (iii) Confer with the auditor(s) to satisfy the Audit and Compliance Committee's members that the financial affairs are in order;
- (iv) Review and determine whether to accept the audit(s);
- (v) Assure that any nonaudit services performed by the auditing firm(s) conform with standards for auditor independence required by law;
- (vi) Approve performance of nonaudit services by the auditing firm(s);
- (vii) Ensure the maintenance of compliance plans designed to encourage good stewardship and compliance with applicable federal and state laws;
- (viii) Review and approve annual internal audit and corporate compliance work plans;
- (ix) Review management reports about internal audit and corporate compliance issues of significant concern, and actions to address such issues;
- (x) Review and approve the annual enterprise risk management work plan;
- (xi) Review management reports about enterprise risk management issues of significant concern, and actions to address such issues; and
- (xii) Perform such other functions as may be determined by the Board from time to time.

Section 6.4 Vacancies in Board Committees; Removal. Vacancies in any Board Committee shall be filled by appointment by the Board of Directors. Board Committee members may be removed from a standing Committee with Delegated Authority or a standing Advisory Committee by the Board of Directors.

Section 6.5 Quorum of Board Committees.

- (a) A majority of the actual number of Board Committee members (excluding vacant seats) shall constitute a quorum for any meeting of a Board Committee; provided, however, that during the Transition Period a quorum for any meeting of a Committee with Delegated Authority shall also require the attendance of at least one (1) CHOC Director and one (1) RCHSD Director who are members of the Committee with Delegated Authority.
- (b) If a quorum is not present at any meeting of a Board Committee, such meeting may be adjourned from time to time until a quorum shall be obtained. Each such adjournment, and the reason therefore, shall be recorded in the minutes of the Parent.

(c) Every act or decision done or made by a majority of Board Committee members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board Committee, unless a greater number be required by law, by the Articles of Incorporation, or by another provision of these Bylaws; provided, however, that during the Transition Period every act or decision done or made by a Committee with Delegated Authority shall require the affirmative vote of at least one (1) CHOC Director and one (1) RCHSD Director who are members of the Committee with Delegated Authority.

ARTICLE VII FISCAL PROVISIONS

Section 7.1 Fiscal Year. The fiscal year of the Parent shall be July 1 to June 30 (the “Fiscal Year”).

Section 7.2 Withdrawal of Funds. Funds of the Parent on deposit with any bank or other financial institution shall be subject to withdrawal on the signatures of such persons as are determined from time to time by resolution of the Board of Directors.

Section 7.3 Deposit of Securities. Securities of the Parent held by any custodian approved by the Board shall be subject to withdrawal by such person(s) as are determined from time to time by resolution of the Board of Directors.

Section 7.4 Transfer of Securities. Any person(s) designated by the Board of Directors by appropriate resolution shall have authority to execute such forms of transfer and assignment as are customary to effect transfer of shares or other securities in the name of the Parent.

Section 7.5 Financial Records. The books and accounts of the Parent shall be kept in accordance with approved accounting procedures and shall be audited annually by independent auditors selected by the Board of Directors.

Section 7.6 Annual Report. Not later than one hundred twenty (120) days after the close of Parent’s fiscal year, the Board shall cause an annual report to the Directors. Such report shall contain in appropriate detail the following, without limitation:

- (a) The assets and liabilities, including the trust funds, of the Parent and its Affiliates as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Parent and its Affiliates, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the Parent and its Affiliates, for both general and restricted purposes, during the fiscal year; and

(e) The information concerning transactions by Parent, officers and other interested persons with Parent, or indemnification of such persons by Parent, required by Section 6322 of the California Nonprofit Public Benefit Corporation Law.

Section 7.7 Inspection. Subject to applicable law, every member of the Board of Directors shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, including accounting books and records, and physical properties of the Parent, provided reasonable advance notice of such inspection is given to the Chairperson or the CEO(s). Upon receipt, the Chairperson and the CEO(s) shall then consult regarding the nature of the particular request and to make suitable arrangements.

Section 7.8 No Proprietary Interest. By virtue of being a member of the Board, no individual shall have any proprietary interest whatsoever in or to the assets of the Parent; there shall be no distribution of gains, profits or dividends to any members of the Board; and no income, increments or other pecuniary or proprietary gain, benefit or advance of any kind arising from or growing out of the assets of the Parent or its operations and activities shall in any way inure to, go to or vest in any member of the Board. Nothing herein contained shall prevent payment of compensation, by affirmative vote of the Board, to any director or officer for services rendered to the Parent provided any such payment is not prohibited by law.

ARTICLE VIII INDEMNIFICATION

Section 8.1 Indemnity of Officers and Directors. Every person who serves, or has in the past served, as a director, officer, employee or agent of the Parent, and every person who serves, or has in the past served, at the written request of the Parent (or at its oral request subsequently confirmed in writing) as a director, officer, employee or agent of the Parent, except as otherwise provided by law, shall be indemnified to the full extent permitted by law and held harmless by the Parent from and against any loss, cost, liability or expense that may be imposed on or incurred by such individual in connection with or resulting from any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, in which they may become a party or otherwise involved because of them being or having been a director, officer, employee or agent of the Parent, whether or not they have this relationship when the loss, cost, liability or expense was imposed or incurred. The phrase “loss, cost, liability or expense” shall include all expenses incurred in defense of the claim, action, suit or proceeding, including attorneys’ fees and the amounts of judgments, fines or penalties levied or rendered against the indemnified person, provided that, except as otherwise provided by law, no person shall be entitled to indemnity under this Section unless they were acting in good faith and within the scope of their employment or authority and for a purpose that they reasonably believed to be in the Parent’s best interests, and in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgement, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interest of Parent or that the person had reasonable cause to believe that the person’s conduct was unlawful. Payments authorized under this Section shall include amounts paid and expenses incurred in settling the claim, action, suit or proceeding, whether actually begun or only threatened. Expenses incurred with respect to a claim, action,

suit or proceeding indemnified against under this Section may be advanced by the Parent before final disposition of the matter on receipt of an undertaking by or on behalf of the recipient to repay this amount if it is ultimately determined that they are not entitled to indemnification. This undertaking shall be satisfactory in form and amount to the Board of Directors. This right of indemnification shall not affect any other rights to which any person may otherwise be entitled by law or contract.

Section 8.2 Insurance. Except as prohibited by law, the Board of Directors may (but shall not be required to) adopt a resolution authorizing the purchase and maintenance of insurance on behalf of the Parent and any Director, officer, employee or other agent of the Parent, against any liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, whether or not the Parent would have the power to indemnify such person against the liability under the provisions of this Article VIII. The Directors shall receive advance notice of any action by the Parent to eliminate or substantially reduce Directors and officers insurance coverage.

Section 8.3 Certain Tax Matters. In no case shall the Parent indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Code. Further, if at any time the Parent is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time, no payment shall be made under this Article if such payment should constitute an act of self-dealing or a taxable expenditure as defined in Section 4941(d) or Section 4945(d), respectively, of the Code. Moreover, the Parent shall not indemnify, reimburse, or insure any person in any instance where such indemnification, reimbursement, or insurance is inconsistent with Section 4958 of the Code or any other provision of the Code applicable to corporations described in Section 501(c)(3) of the Code.

ARTICLE IX GENERAL PROVISIONS

Section 9.1 Rules of Construction. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 9.2 Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Parent and any other person, when signed by the CEO, certain designated Executive and Senior Vice-Presidents, the Secretary, or the Treasurer of the Parent shall be valid and binding on the Parent, in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Additionally, by resolution of the Board, general signatory authority may be granted and delegated to other persons on behalf of the Parent. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board or the CEO. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Parent by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 9.3 Voting Shares. The Parent may vote any and all shares held by it in any other corporation by such officer, agent and proxy as the Board may appoint; or in the absence of any such appointment, by the CEO, or by an Executive or Senior Vice-President appointed by the CEO; and, in such case, such officers or any of them, may likewise appoint a proxy to vote said shares.

ARTICLE X AMENDMENTS

Section 10.1 Amendment and Repeal of Bylaws. These Bylaws may be repealed or amended, or new or additional Bylaws may be adopted, at a duly held Board meeting in accordance with the approvals set forth in Section 3.1. Notice of the proposed repeal, amendment, or adoption of new or additional Bylaws must be included in the notice calling the meeting to consider such proposal. In addition to the approvals required under Section 3.1, for as long as that certain Joint Powers Affiliation Agreement among The Regents of the University of California, Children’s Hospital and Health Center and Children’s Hospital – San Diego, dated June 21, 2001, as such has been and may be amended from time to time, is in effect and has not expired or terminated, any amendment to these Bylaws that: (i) reduces the total number of University Directors, or (ii) reduces the number of University Directors required to serve on the Executive Committee, must also be approved by a majority of the University Directors then in office at the time of the Bylaws amendment.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

- (1) That I am the duly elected and acting Secretary of Rady Children's Health, a California nonprofit public benefit corporation; and
- (2) That the foregoing Bylaws constitute true and accurate Bylaws adopted by the action of the Board of Directors on [_____].

By:

Date

Secretary

Exhibit A

Member Organizations

1. Rady Children's Hospital – San Diego
2. Rady Children's Hospital Foundation – San Diego
3. Rady Children's Hospital Research Center d/b/a Rady Children's Institute for Genomic Medicine
4. Rady Children's Health Services – San Diego
5. Rady Children's Physician Management Services, Inc.
6. Children's Hospital Integrated Risk Protected Limited
7. Children's Hospital Insurance Limited
8. Children's Hospital of Orange County
9. Children's Hospital at Mission
10. CHOC Foundation
11. CRC Real Estate Corporation
12. Providence Speech and Hearing Center
13. Orange County Medical Reciprocal Insurance Company
14. Children's Health Plan of California

Exhibit B

Co-CEO Job Duties and Responsibilities

[To be inserted.]

Attachment 4.2(a)

Amended and Restated Articles of RCHSD

Attached.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
RADY CHILDREN’S HOSPITAL – SAN DIEGO**

THE UNDERSIGNED CERTIFY THAT:

1. They are the President and Secretary, respectively, of Rady Children’s Hospital – San Diego, a California nonprofit public benefit corporation (this “Corporation”).
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

FIRST: The name of this Corporation is Rady Children’s Hospital – San Diego.

SECOND: This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

 This Corporation is organized and shall be operated exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). In furtherance thereof, the specific and primary purposes for which this Corporation is formed are:

 1. To acquire, construct, establish, equip, maintain, manage, conduct, operate, staff and/or lease health care facilities, which may include, without limitation, one or more: (i) general acute care hospitals specializing in the needs of children and adults with diseases, disorders and other health problems which had pediatric origins, (ii) convalescent hospitals, (iii) skilled nursing facilities, (iv) other health care facilities, and (v) supplemental and incidental facilities to be used in connection therewith;

 2. To establish, conduct, maintain, manage, provide, promote and support services, programs, organizations and functions in health care and related fields, which may include, without limitation, the following:

- (i) a regionalized pediatric care center to provide and support acute care health facilities and services for children;
- (ii) an effective pediatric and family health sciences education program;
- (iii) outpatient health care services which are needed by the community, including without limitation, outpatient services for children with diseases or illnesses; and

(iv) such other services, organizations, programs and functions as may be proper to provide for the needs of children;

3. To cooperate with existing organizations and governmental agencies or programs dedicated to the needs of children;

4. To engage in research related to the health care needs of children;

5. To acquire property by purchase, lease, gift, devise, bequest or otherwise; and to hold, invest, use, lease, operate, improve, develop, sell or otherwise dispose of property; and to mortgage or otherwise encumber property; and to invest in, own and deal in and with property, all for the purposes set forth herein;

6. To do everything and anything necessary, expedient or incidental to the foregoing purposes or to the health care needs of children; and

7. To perform and undertake other related and charitable activities and functions as may be proper in connection therewith.

THIRD: This Corporation elects to be governed by all the provisions of the California Nonprofit Public Benefit Corporation Law, including all of the provisions of such law not otherwise applicable to it under Part 5 thereof.

FOURTH: This Corporation has no capital stock, is not formed, nor shall it be operated, for profit. This Corporation does not contemplate the distribution of accumulations, gains, profits or dividends to any person. In furtherance of its purposes, this Corporation is empowered to make distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code, or the corresponding provisions of any future United States Internal Revenue Code. Notwithstanding any other provisions of these Articles, this Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

FIFTH: No substantial part of the activities of this Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and this Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

SIXTH: The property, assets, profits and net income of this Corporation are irrevocably dedicated to charitable purposes and no part of the profits or net income of this Corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private shareholder or individual[, except that this Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes]. Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of this Corporation, the remaining assets shall be distributed to one or more nonprofit corporations, which is organized and operated exclusively for charitable purposes meeting the requirements for

exemption provided by Section 214 of the California Revenue and Taxation Code and which has established its tax exempt status under Section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue Law), and/or Section 23701(d) of the California Revenue and Taxation Code, and engaged in activities or having charitable purposes consistent with those of this Corporation.

SEVENTH: The sole statutory member of this Corporation shall be Rady Children's Health, a California nonprofit public benefit corporation (the "Statutory Member").

3. The foregoing Amended and Restated Articles of Incorporation of this Corporation have been duly approved by the required vote of the members of the Board of Directors of the sole statutory member of this Corporation.

IN WITNESS WHEREOF, we declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

[Dated: _____]

Patricio A. Frias, M.D.
President and Chief Executive Officer

Angela M. Vieira
Secretary

Attachment 4.2(b)

Amended and Restated Bylaws of RCHSD

Attached.

AMENDED AND RESTATED BYLAWS
OF
RADY CHILDREN’S HOSPITAL - SAN DIEGO

These Amended and Restated Bylaws are dated [_____] (the “Effective Date”) and amend, restate, and supersede in their entirety the Bylaws of Rady Children’s Hospital – San Diego (the “Corporation”) dated March 17, 2021.

ARTICLE I
PURPOSES

The Corporation, in affiliation (“Affiliation”) with the Regents of the University of California on behalf of University of California, San Diego School of Medicine, including the UCSD Medical Center (“University”), will maintain, conduct, operate, and raise funds for, and otherwise support, a world class academic children’s medical center which excels in patient care, teaching and research.

The Corporation will support research and education for the benefit of children, adolescents, and adults with diseases, disorders and other health problems of pediatric origin.

The Corporation will be the University’s hospital provider of pediatric services and shall be the primary pediatric teaching facility for the University.

The Corporation and all its business and other activities are to be operated and conducted in the promotion of its charitable purposes as specified in its Articles of Incorporation. and in furtherance of the mission of the Corporation.

ARTICLE II

Section 2.1. Definitions.

(a) “Affiliate” means, when used in connection with a particular entity, any corporation, limited liability company, partnership, joint venture, association, business trust, or similar entity that directly or indirectly controls, is controlled by, or is under common control with, such entity and any successors or assigns of such entity with respect to such entity. For purposes of this definition, “control” means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise.

(b) “Affiliation Agreement” means that certain Affiliation Agreement dated [] by and among Children’s HealthCare of California, CHOC, Children’s Hospital at Mission, Rady Children’s Hospital and Health Center and Rady Children’s Hospital – San Diego, as such may be amended from time to time.

(c) “Change of Control” means: (i) any transaction or series of related transactions of an entity (including, without limitation, merger or consolidation, sale, transfer or other disposition of equity, amendment to the articles of incorporation or bylaws or other applicable governing documents of such entity or other contract or arrangement) that results in another entity becoming the beneficial owner of more than fifty percent (50%) of the voting ownership interests of such entity, (ii) the sale, lease, transfer, exchange, disposition or change in use of all or substantially all of the property and assets of an entity, (iii) the addition or substitution of a corporate member or members that transfers the control of, responsibility for, or governance of the entity; or (iv) a joint venture, management arrangement or similar transaction by an entity with another entity that results in the other entity becoming the owner, operator or manager of all or substantially all of the assets of the entity.

Section 2.2. “Subsidiary” or “Subsidiaries” of the Corporation means an entity that, directly or indirectly through one or more intermediaries, is controlled by the Corporation. For purposes of this definition, “control” means the power or possession of the power, direct or indirect, to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise. Without limiting the generality of the foregoing, “Subsidiary” shall include an entity of which the Corporation is a corporate member and an entity in which the Corporation owns fifty percent (50%) or more of the voting securities.

(a) “Transition Period” means the period between the Effective Date of the Affiliation Agreement and the July 1st immediately following the sixth (6th) anniversary of the Effective Date of the Affiliation Agreement.

ARTICLE III OFFICES

The principal office for the transaction of the business of the Corporation is fixed and located at 3020 Children’s Way, San Diego, County of San Diego, State of California. The Board of Directors is hereby granted full power and authority to change the said principal office from the one location to another within the said county.

ARTICLE IV MEMBERSHIP

Unless and until the Articles of Incorporation of the Corporation are amended to provide otherwise, Rady Children’s Health, a California nonprofit corporation (the “Statutory Member”) shall be the sole member of the Corporation, as the term “member” is defined in Section 5056 of the California Nonprofit Corporation Public Benefit Law.

ARTICLE V BOARD OF DIRECTORS

Section 5.1. Powers, Authority and Responsibility.

(a) Subject to the provisions of Sections 5110 – 6910 of the California Corporations Code and the provisions in these Bylaws relating to action that may be taken by, or that require

the approval of, the Statutory Member, the activities and affairs of the Corporation shall be conducted and all the corporate powers shall be exercised by or under the direction of the Board of Directors of the Corporation (the “Board”).

(b) Subject to the powers reserved to the Statutory Member as set forth in Section 5.2, and without limiting the generality of Section 5.1. ((a)) above, the Board shall:

(i) Have the ultimate authority and legal responsibility for the safety and quality of care, treatment, and services, consistent with the role of the Medical Staff as provided in ARTICLE IX of these Bylaws;

(ii) Have final authority for granting, renewing, revising, or denying Medical Staff privileges, consistent with the role of the Medical Staff as provided in ARTICLE IX of these Bylaws;

(iii) Approve policy and promote performance improvement;

(iv) Provide for organizational management and planning;

(v) Be responsible for approving the scope of services at the Corporation’s general acute care hospital and other providers operated as part of the Corporation (collectively, the “Hospital”), which shall be defined in writing;

(vi) Nominate individuals to be appointed by the Statutory Member to the Board in accordance with Section 5.5;

(vii) Nominate individuals to be appointed to the board of directors of the Statutory Member during the Transition Period in accordance with the bylaws of the Statutory Member;

(viii) Provide for coordination and integration among the Hospital’s leaders to establish policy, maintain quality of care and patient safety, and provide for necessary resources;

(ix) Annually evaluate the Hospital’s performance in relation to its vision, mission, and goals;

(x) Annually recommend to the Statutory Member for approval an operating and capital budget that reflects the goals and objectives of the Corporation, including but not limited to, the operation of the Corporation’s acute care hospital, Helen Bernardy Center, Rady Children’s Specialists of San Diego Medical Foundation, and Home Health and Hospice;

(xi) Recommend to the Statutory Member for approval a capital budget for the Corporation; and

(xii) Provide for short-term and long-term planning for the Corporation.

Section 5.2. Powers Reserved to Statutory Member.

(a) Statutory Member Reserved Powers. The Statutory Member has exclusive power to take any of the following actions (as specified in the Bylaws of the Statutory Member, which may require a Supermajority vote of the Statutory Member Board) with respect to the Corporation or any of its Affiliates without the need to obtain the approval of the Board of this Corporation, and no attempted exercise of any such powers by anyone other than the Statutory Member shall be valid or of any force or effect whatsoever:

(i) Approve material changes to the RCHHC Capital Plan (as defined in the Affiliation Agreement), but not for changes to the sources or amounts of funding, or other changes due to financial deterioration, which are each subject to process and approvals set forth in Section 14.4 of the Affiliation Agreement;

(ii) Elect individuals to the Board in accordance with the nomination and election process set forth in Section 5.5;

(iii) Establish, consummate or approve a Change of Control of the Corporation or any of its Affiliates;

(iv) Approve the strategic plans, capital budgets and operating budgets of the Corporation or any of its Affiliates;

(v) Form or approve the formation of a new obligated group amongst the Statutory Member, the Corporation and/or any of its Affiliates, or add a new member to an existing obligated group;

(vi) Select the independent auditor that will serve as auditor for the Statutory Member, the Corporation and its Affiliates;

(vii) Approve any debt instruments, derivative instruments, the incurrence of debt or lending of money by the Corporation or any of its Affiliates (excluding capital leases or operating leases);

(viii) Approve any capital leases or operating leases by the Corporation or any of its Affiliates in amounts at or above Five Million Dollars (\$5,000,000);

(ix) Approve a combination of the endowments, investment portfolios, operating cash and/or cash reserves of the Statutory Member, the Corporation and/or any of its Affiliates, subject to the restrictions on any such assets; provided, however, no such decision shall result in the Corporation being unable to hold sufficient cash on hand to maintain its ordinary course operations;

(x) Close a licensed hospital owned and operated by the Corporation or any of its Affiliates; and

(xi) Approve any long-term commitment of the Corporation involving a term in excess of fifteen (15) years.

(b) Transition Period Hospital Reserved Powers. The Statutory Member has exclusive power to take any of the following actions without the need to obtain the approval of the Board, and no attempted exercise of any such powers by anyone other than the Statutory Member shall be valid or of any force or effect whatsoever; provided, however, that during the Transition Period, the following actions shall also require approval of the Board, it being acknowledged that, unless otherwise indicated in this Section 5.2(b), after the Transition Period the Member has the exclusive power to take any of the following actions without the need to obtain the approval of the Board:

- (i) Remove individuals from the Board with or without cause;
- (ii) Remove or appoint a successor Rady Co-CEO of the Statutory Member during the Co-CEO Period (as such terms are defined in the Statutory Member's Bylaws);
- (iii) Remove or appoint a successor President and Chief Executive Officer of the Corporation or any of its Subsidiaries;
- (iv) Make material amendments to the Articles of Incorporation, Bylaws, or other governing documents, as applicable, of the Corporation or any of its Subsidiaries;
- (v) Change the corporate structure of the Corporation or any of its Subsidiaries if such change would affect the entity's status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law;
- (vi) Change the name of the Corporation or any of its Subsidiaries, subject to the Statutory Member's obligations and commitments as set forth in the Affiliation Agreement and any applicable donative instruments or branding plan then existing;
- (vii) Approve a re-branding plan of the Corporation or any of its Subsidiaries (individually or as a system), subject to the Affiliation Agreement and any applicable donative instruments then existing;
- (viii) Elect to voluntarily dissolve the Corporation or any of its Subsidiaries;
- (ix) Sell any real property owned by the Corporation or any of its Subsidiaries valued at or above Five Hundred Thousand Dollars (\$500,000);
- (x) Approve the Corporation or any of its Subsidiaries entering into a settlement or consent decree with a governmental or regulatory agency or non-governmental third party if the settlement or consent decree involves an amount at or above Five Million Dollars (\$5,000,000) or contains material conditions regarding operations;
- (xi) Approve an unbudgeted transaction or expenditure of the Corporation or any of its Subsidiaries (in a single transaction or a series or related transactions) if the unbudgeted transaction or expenditure involves an amount at or above Five Million Dollars (\$5,000,000);

(xii) Approve a donation made directly to the Corporation or any of its Subsidiaries if such donation requires or is conditioned on undertaking any unbudgeted capital or operating expenditure at or above One Million Dollars (\$1,000,000);

(xiii) Sell, dispose of or transfer fixed assets (including equipment) of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions), if the amount of the assets is at or above One Million Dollars (\$1,000,000);

(xiv) Sell, dispose of, or transfer invested assets of the Corporation or any of its Subsidiaries (in a single transaction or a series of related transactions) where such sale, disposition or transfer is not covered by the policies or targets approved by the Statutory Member's Investment Committee;

(xv) Change the mission, vision or values of the Corporation or any of its Subsidiaries;

(xvi) Approve any decision or act which materially impacts an existing affiliation between the University of California and the Corporation or any of its Subsidiaries; provided, however, that any such decision or action shall also require the approval of the Board both during and after the Transition Period;

(xvii) Approve a change to the structure of a medical foundation operated by the Corporation or any of its Subsidiaries in accordance with Section 1206(l) or 1206(g) of the California Health & Safety Code (a "Medical Foundation");

(xviii) Approve a material change or modification to a professional services agreement of a Medical Foundation (it being acknowledged that a change in the compensation amount or compensation methodology under a Medical Foundation's professional services agreement shall not constitute a material change); and

(xix) Approve each community benefit plan of the Corporation or any of its Subsidiaries.

(c) Scope of the Statutory Member's Rights and Approvals over Affiliates. Notwithstanding anything in this Section 5.2 that may be construed to the contrary, any right of the Statutory Member to take action with respect to, or approve an action taken by or with respect to, an Affiliate of the Corporation as set forth in this Section 5.2 may only be exercised by the Statutory Member if the Corporation possesses the right to take or approve such action, pursuant to the Affiliate's organizational documents, at the time the Statutory Member desires to exercise its right over the Affiliate.

Section 5.3. Number of Directors. The number of Directors shall consist of at least twenty-one (21) but no more than twenty-seven (27) unless changed by amendment to these bylaws. The exact number of Directors shall be fixed, within those limits, by resolution adopted by the Board.

Section 5.4. Qualifications of Directors. Except as otherwise provided herein, a Director, at the time of election and during the entire term of office, must satisfy the following qualifications:

(a) Board members shall be at least thirty (30) years of age and have indicated a willingness to accept responsibility for governance of the Corporation's affairs. Board members must possess the following attributes:

(i) Interest in, and commitment to, the health care interests of the communities the Corporation serves.

(ii) Interest in, and commitment to, the mission, vision, and core values of the Corporation.

(iii) A willingness to devote the necessary time and effort to the responsibilities of the Board.

(iv) Experience in organizational or community activities and/or areas of particular interest, competency, or expertise beneficial to the Corporation.

(v) A willingness to satisfy fiduciary responsibility as a Board member.

(b) In selecting new Board members, the Board shall attempt to maintain a balance of competencies as identified and regularly updated by the Nominating Committee. In order to best elicit the perspectives of the communities the Corporation serves, the Board shall also attempt to reflect the diversity of the communities it serves in terms of age, gender, race, color, ethnicity and residence.

(c) The non-ex-officio Board members should not be directors, officers or employees of the University or the Corporation except for their position on the Board. Regents of the University of California who otherwise meet the other criteria are eligible for Board membership.

Section 5.5. Classification, Term of Office, and Election of Directors.

(a) Each of the following persons shall, once elected by the Statutory Member, occupy automatically a position on the Board of the Corporation, ex-officio with right to vote:

(i) The Chief of the Medical Staff of the Corporation;

(ii) The Chair of the Board of Rady Children's Hospital Foundation – San Diego ("Foundation");

(iii) The Chancellor of the University of California, San Diego ("Chancellor");

(iv) Vice Chancellor for Health Sciences of the University of California, San Diego ("VCHS");

(v) The Executive Vice President, UC Health or other representative of the University of California, Office of the President (“UCOP Representative”);

(vi) A member of the Rady Family or a designated individual in accordance with the Charitable Gift Agreement between the Corporation and Ernest S. and Evelyn Rady; and

(vii) A member of the Hospital Medical Staff selected by the Medical Staff and approved by the Board (“Medical Staff Member-At-Large”).

(b) The remaining authorized Directors shall be divided into three groups as nearly equal in number as possible, designated as Group I, Group II and Group III. The term of office of each of said groups shall be three (3) years and until their successors are elected and take office, with the terms for each of the three groups staggered so they terminate in different years. The Board shall attempt to maintain an average tenure of six (6) to ten (10) years on the Board among the remaining authorized Directors.

(c) At each organization meeting of the Board, the Board shall approve nominees for the Group I, Group II or Group III Directors, as applicable, by a majority vote of the entire membership of the Board, including those Directors whose terms will expire after such election. The Corporation shall submit a list of the Board-approved nominees to the Statutory Member prior to the Statutory Member’s annual meeting, and the Statutory Member shall elect the required number of Directors from such list of nominees. In the event that the Statutory Member determines that it would not be in the best interests of the Corporation to appoint, from the list of nominees, the full number of Directors required to be appointed, the Statutory Member shall notify the Board of the number of Directors’ positions yet to be filled. In that case, the Board shall provide the Statutory Member with an additional list of nominees that contains the names of additional nominee(s) for the Directors’ positions, and the Statutory Member shall elect the required number of Directors from the list of additional nominees. Notwithstanding anything in this Section 5.5(c) that may be construed to the contrary, University Directors (defined below) shall be nominated only after the procedure outlined in Section 5.6(e).

(d) At least one-third (1/3) of the Board, including the ex-officio members described in Section 5.5(a), shall be representatives of University. For these purposes representatives of University may include: any full-time salaried faculty member holding the positions Chief of the Medical Staff of the Hospital and Medical Staff Member-At-Large; the individuals holding the positions of Chancellor, VCHS, and UCOP Representative; and any individuals elected pursuant to the procedure outlined in Section 5.6(e). These University representatives on the Board are referred to as the “University Directors”.

(e) In addition to the voting members of the Board described above, the President and Chief Executive Officer and the Chief Financial Officer of the Statutory Member, the Chief Nursing Officer of the Corporation, and such other officers of the Statutory Member or Corporation shall attend meetings of the Board, ex-officio, without right to vote.

Section 5.6. Vacancies.

(a) Except for University Directors, a vacancy position in Group I, II or III Director shall be nominated by the Board and elected by the Statutory Member. Each Director so elected to

fill a vacancy shall hold office for the remainder of the predecessor's unexpired term and until the election of a successor at the next organization meeting of the Statutory Member or at a special meeting called for that purpose.

(b) A vacancy or vacancies shall be deemed to exist in the case of the death, resignation or removal of any Director.

(c) Except for University Directors, if the Board accepts the resignation of a Director tendered to take effect at a future time, the Statutory Member shall have power to elect a successor to take office when the resignation shall become effective.

(d) No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

(e) Any election, reelection, or filling of a vacancy of a University Director, other than an ex-officio Director, shall be conducted in compliance with this subsection. A committee composed of the President and the Chair of the Statutory Member, the Chancellor, and the VCHS, shall select and nominate a candidate to serve as a University Director who meets the criteria for Board membership. The committee shall meet promptly on the occurrence of a vacancy caused by resignation, removal, death or expiration of a term or other reason of a non-ex-officio University Director. Such candidate shall be presented to the Statutory Member for election to the Board. In the event that the Statutory Member determines that it would not be in the best interests of the Corporation to appoint such candidate, the committee described in this Section 5.6(e) shall provide the Statutory Member with an additional candidate to be elected to the Board by the Statutory Member.

Section 5.7. Nomination of RCHSD Directors to Statutory Member Board of Directors. During the Transition Period, the RCHSD Directors (as such term is defined in the Statutory Member's Bylaws) who serve on the Statutory Member's board of directors during the Transition Period shall be nominated and elected in accordance with this Section 5.7. Prior to the Statutory Member Annual Meeting Date, the Corporation's Nominating Committee shall submit to the Board for the Board's approval a list of qualified nominees to fill the positions of the RCHSD Directors whose terms will expire and such other vacancies of RCHSD Directors which have not previously been filled (the "RCHSD Director Nomination List"). The number of nominees contained in the RCHSD Director Nomination List shall be greater than or equal to the number of Directors to be appointed to the Statutory Member's Board. In the event that the Board determines that it is in the best interests of the Corporation that additional nominees be considered, the Board shall notify the Nominating Committee, and the Nominating Committee shall submit to the Board an additional RCHSD Director Nomination List that contains the names of additional nominee(s) for the RCHSD Director positions. At least sixty (60) days before the Statutory Member's annual meeting, the Board shall submit to the Statutory Member for the Statutory Member's approval a list of the approved nominees from the RCHSD Director Nomination List (the "Board Approved RCHSD Director Nomination List"). In the event that the Statutory Member does not appoint, from the Board Approved RCHSD Director Nomination List, the full number of RCHSD Directors required to be appointed, the Statutory Member shall notify the Board of the number of RCHSD Directors' positions yet to be filled. In that case, the Board, with input from the Nominating Committee, shall provide the Statutory Member with an additional Board Approved RCHSD

Director Nomination List that contains the names of additional nominee(s) for the RCHSD Directors' positions. The Statutory Member shall elect the required number of RCHSD Directors from the Board Approved RCHSD Director Nomination List.

Section 5.8. Place of Meetings. All meetings of the Directors shall be held at the office of the Corporation in the State of California or at such other place as may be designated for that purpose from time to time by the Board or as may be designated in the notice of the meeting.

Section 5.9. Annual Meeting. Annually the Board shall meet for the purposes of organization, appointment of officers and the transaction of such other business as may properly be brought before the meeting. This meeting shall be held at a time, date and place as may be specified and noticed by the Statutory Member, provided that the annual meeting of the Board shall be in advance of the Statutory Member's annual meeting.

Section 5.10. Regular Meetings. Regular meetings of the Board shall be held approximately quarterly at such time as shall be fixed by the Board. Notice of a regular meetings shall be given in writing upon at least four (4) days' notice by first-class mail or upon at least forty-eight (48) hours' notice delivered personally or by electronic transmission as described in Section 7.6 of these bylaws.

Section 5.11. Special Meetings. Special meetings of the Board for any purpose or purposes shall be called at any time by the Chair of the Board, the President, any Senior Vice-President, the Secretary or any two Directors of the Corporation. The party calling such special meeting shall determine the place, date and time thereof.

Section 5.12. Notice of Special Meetings. A notice of special meetings of the Board called in accordance with this Section 5.12 shall be given by the Secretary, or in case of the Secretary's neglect or refusal, by any Director, and shall specify the place, the day and the hour of the meeting and the nature of the business to be transacted, and shall be delivered in the same manner as a regular meeting under Section 5.10. No items of business other than those specified in the notice of special meeting may be transacted at a special meeting.

Section 5.13. Consent to Meetings; Waiver of Notice. The transaction of any meeting of the Board, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, and if, either before or after the meeting, each of the Directors entitled to vote, not present in person, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any Director who attends the meeting without protesting prior to or at the commencement of the meeting, the lack of notice to such Director.

Section 5.14. Quorum. At all meetings of the Board, a majority of the number of Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business, except to adjourn as provided in Section 5.17. The act of a majority of Directors present at any time at which there is a quorum shall be the act of the Board, unless a greater number is required by law. Notwithstanding the proceeding provisions of this Section 5.14, a meeting at

which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 5.15. Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board may be taken without a meeting if all members of the Board shall individually and collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 5.16. Participation in Meetings by Telecommunications. Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication or other electronic transmission by and to the Corporation in accordance with Section 7.6 of these Bylaws. Participation in a meeting under this Section 5.16 shall constitute presence in person at that meeting if both of the following apply: (a) each Director participating in the meeting can communicate with all of the other Directors concurrently; and (b) each Director is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

Section 5.17. Adjournment. A majority of Directors present, whether or not a quorum is present, may adjourn any Directors meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 5.18. Rights of Inspection. Directors shall have the right at reasonable times to inspect those books, records, documents, and properties of the Corporation which are necessary or appropriate in order to enable the Directors to properly perform their duties. Such right of inspection shall be subject to and limited by any applicable principle of law which prohibits, limits or otherwise controls the disclosure of inspection of such books, records, documents, and physical properties of the Corporation.

Section 5.19. Removal and Resignation of Directors.

(a) Any Director may be removed, either with or without cause, in accordance with Section 5.2(b)(i).

(b) The Secretary shall bring to the attention of the Board and the Statutory Member, and the Statutory Member (and the Board, during the Transition Period) shall consider whether or not to remove, any Director who is absent in a year:

(i) from more than two (2) Board meetings, if such absences have not been excused by the Board; or

(ii) from more than three (3) Board meetings, whether or not such absences have been excused by the Board.

(c) Any Director may resign at any time by giving written notice to the Board, to the Chair of the Board, to the President and CEO, or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.20. Board Committees.

(a) The Board may appoint one or more committees, each consisting of at least three (3) voting Directors to serve at the pleasure of the Board, and delegate to such committees any of the authority of the Board, subject to the reserved powers of the Statutory Member, through a written charter approved by the Board, except with respect to:

(i) The approval of any action for which the California Nonprofit Public Benefit Corporation Law requires approval of the Board;

(ii) The filling of vacancies on the Board or on any committee that has the authority of the Board;

(iii) The fixing of compensation of the Directors for serving on the Board or on any committee;

(iv) The amendment or repeal of Bylaws or the adoption of new Bylaws;

(v) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(vi) The appointment of other committees having the authority of the Board or the members thereof;

(vii) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(viii) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law, except as permitted under Section 5.24.

(b) Except as otherwise expressly provided in these Bylaws, any such committee must be created, and the members thereof appointed, by vote of a majority of the Directors then in office, and any such committee may be designated by such name as the Board shall specify. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board, such committee, or these Bylaws shall

otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this ARTICLE V applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee. If such committee has the ability to act on behalf of the Board without any further action of the Board, then one-third (1/3) of the committee must be University Directors. If a committee cannot act independently of the Board, then there is no requirement for any University Directors on the committee.

(c) Standing Committees. Standing committees of the Board shall consist of the Executive Committee, as described below, and the following committees that shall be advisory to the Board: Nominating Committee; Quality, Safety and Medical Affairs Committee; Medical Practice Foundation Committee; and Facilities, Planning and Construction Task Force.

(i) Members. Each standing committee shall have no fewer than three (3) voting members of the Board.

(ii) Advisers. The Board may appoint one or more individuals to serve as advisers to a standing committee ("Advisers") who have experience and or expertise that can assist a standing committee in fulfilling its responsibilities. Advisers shall not count towards establishing a quorum and shall not have the right to vote. Any other requirements applicable to members shall be applicable to Advisers.

(d) Executive Committee.

(i) The Executive Committee shall be composed of six (6) to nine (9) members of the Board. Between meetings of the Board, the Executive Committee shall have and exercise the authority of the Board in the management of the Corporation, except as otherwise required by law, by the Articles of Incorporation or by these Bylaws. The Executive Committee shall have and exercise such specific powers and perform such specific duties as prescribed by these Bylaws or as the Board shall from time to time prescribe or direct. Because the Executive Committee has the ability to act on behalf of the Board without any further action of the Board, one-third (1/3) of the Executive Committee shall consist of voting University Directors.

(ii) In addition to the voting members of the Executive Committee described in this Section 5.20(d)(i) above, the Statutory Member President and Chief Executive Officer and such other officers of the Statutory Member or Corporation shall attend meetings of the Executive Committee, ex-officio, without right to vote.

(e) Other Committees.

(i) The Chair of the Board or the President, or the Board, subject to any limitations imposed by these Bylaws, may create other committees or task forces, either standing, advisory, or special, to serve the Board which do not have the powers of the Board. The President, with the approval of the Board, shall appoint members to serve on such committees. If one or more voting Directors are on a committee, the President shall designate one of the voting directors as the committee Chair. Each member of a committee shall continue until his or her successor is appointed, unless the member sooner resigns or is removed from the committee.

(ii) Meetings of a committee may be called by the Chair of the Board, the President, the Chair of the committee or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of voting members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. Each committee may keep minutes of its proceedings and shall report periodically to the Board. A committee may take action by majority vote of those present.

(iii) Any member of a committee may resign at any time by giving written notice to the Chair of the committee or to the President. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The Chair of the committee may, with prior approval of the Board, remove any appointed member of a committee. The President, with the Board's approval, shall appoint a member to fill a vacancy in any committee or any position created by an increase in the number of committee members for the unexpired portion of the term.

Section 5.21. Fees and Compensation. Directors and members of committees may receive such reimbursement for expenses, as may be fixed or determined by the Board.

Section 5.22. Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons. An interested person is either (a) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, an independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as a Director; or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of this Section 5.22 shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 5.23. Standard of Conduct. Pursuant to Section 5231 of the California Nonprofit Public Benefit Corporation, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence;

provided that, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 5.24. Self-Dealing Transactions. Pursuant to Section 5233 of the Nonprofit Public Benefit Corporation Law of the State of California, the Corporation shall not be a party to a transaction in which one or more of its Directors has a material financial interest (“Interested Director”) unless:

(a) Approval by Attorney General. The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(b) Approval by Board of Directors. Prior to entering into the transaction, after full disclosure to the Board of Directors of all material facts as to the proposed transaction and the Interested Director’s interest and investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(i) Resolves and finds that (1) the transaction is in the Corporation’s best interests and is entered into for the Corporation’s own benefit, (2) the transaction is fair and reasonable as to the Corporation, and (3) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(ii) Approves the entire transaction; or

(c) Interim Approval by Authorized Committee or Person. If it is not reasonably practicable to obtain approval of the Board prior to entering into said transaction, a Board Committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in subsection (b) of this section; and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director. However, the Interested Director may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies a contract or transaction.

No Director shall vote on or use his or her personal influence to affect the outcome of Board action with respect to any matter as to which such Director has any duality or possible conflict of interest. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

(d) University Directors. In addition to the foregoing, University Directors shall recuse themselves and shall neither participate in nor vote upon any discussion or resolution of the Board or any committee on the subject of University’s material violation or breach of that certain Joint Powers Affiliation Agreement among The Regents of the University of California, Children’s Hospital and Health Center and Children’s Hospital - San Diego, dated June 21, 2001 (as such has

been and may be amended from time to time, the “Joint Powers Affiliation Agreement”). Additionally, any individual University Director is subject to the same conflict of interest rules that apply to all other Directors and any other conflict of interest rules that may apply to them because of their relationship with the University.

Section 5.25. Education of Directors. The President shall have the primary responsibility for including, in an appropriate number of meetings of the Board, presentations which will educate the Directors in pertinent areas. The President shall also encourage Directors to attend various professional meetings and presentations which will enhance the education of the attending Directors who, in turn, shall report to the Board the content of such meetings or presentations.

Section 5.26. Orientation. Each new Director shall be oriented to the manner of functioning of the Board and the Corporation and shall be given information about the mission and the operation of the Corporation’s various facilities. Further, he/she shall be advised of the responsibilities which arise from such Board membership. The primary responsibility for all such orientation of a new Director shall rest with the President.

Section 5.27. Minutes and Reports. Minutes of all meetings of the Board shall be prepared and retained. Such minutes shall include at least the following: the date of each meeting, members present and absent, business discussed, and actions taken thereon, target dates for implementation of recommendations, and the report of the President. Such minutes shall be made available to all Directors.

Section 5.28. Common Directorships. Pursuant to Section 5234 of the California Nonprofit Public Benefit Corporation Law, the Corporation shall not be a party to a transaction with another corporation, firm or association in which one or more of its Directors is also a Director or Directors (“Overlapping Directors”) unless, prior to entering into the transaction, after full disclosure to the Board of all material facts as to the proposed transaction and the Overlapping Director’s overlapping Directorship, the Board find that the transaction is just and reasonable as to the Corporation and authorizes, approves or ratifies the transaction in good faith by a vote of Directors then in office sufficient, without including the vote of the Overlapping Director. This provision does not apply to transactions covered by Section 5233 of the California Nonprofit Public Benefit Corporation law.

Section 5.29. Emergency Action. (a) In anticipation of or during an Emergency (as defined below), the Board may: (i) modify lines of succession to accommodate the incapacity of any Director, officer, employee, or agent resulting from the Emergency; (ii) relocate the principal office or authorize the officers to do so; (iii) give notice to a Director or Directors in any practicable manner under the circumstances; and (iv) deem that one or more officers present at a board meeting is a Director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. (b) In anticipation of or during an Emergency, the Board may not take any action that requires the vote of the member by state law or otherwise is not the Corporation’s ordinary course of business. (c) An “Emergency” means any of the following events as a result of which, and only as long as, a quorum of the Board cannot be readily convened for action: a disaster called by any County in which the Corporation or its Affiliates does business, or a state of emergency proclaimed by the Governor of California, or by the President of the United States. (d) Any actions taken in

good faith under this Section 5.29 may not be used to impose liability on a Director, officer, employee or agent.

ARTICLE VI OFFICERS

Section 6.1. Officers. The officers of the Corporation shall be a Chair of the Board, a Vice-Chair of the Board, a President, a Secretary, and a Chief Financial Officer. One person may hold two or more offices, except neither the Secretary nor the Chief Financial Officer may serve concurrently as the President or the Chair of the Board. Only members of the Board shall be eligible to hold the offices of Chair and Vice-Chair. The President shall be the person employed by the Corporation as the chief executive officer.

Section 6.2. Appointment of Officers. Except for the President, the officers of the Corporation shall be chosen annually by the Board and each shall hold office until his or her successor shall be appointed and qualified to serve, or until he or she shall resign or shall be removed or disqualified to serve.

Section 6.3. Subordinate Officers. The Board may elect to authorize the appointment of such officers other than those hereinbefore mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board may from time to time authorize or determine.

Section 6.4. Chair. The Chair shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned by the Board.

Section 6.5. Vice-Chair. In the absence or disability of the Chair, the Vice-Chair shall perform all of the duties of the Chair, and when so acting shall have all of the powers of, and be subject to all of the restrictions upon, the Chair. The Vice-Chair shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice-Chair by the Board or the bylaws.

Section 6.6. President. The President shall be elected by the Statutory Member annually or from time to time as determined necessary by the Statutory Member; provided, however, (a) during the Transition Period, election of the President shall also require approval of the Board, and (b) the Corporation may obtain from the Statutory Member the services of the President pursuant to an agreement between the Corporation and the Statutory Member for as long as any such agreement remains in effect. The President shall hold office until his or her successor shall be appointed and qualified to serve, or until he or she shall resign or shall be removed or disqualified to serve. Subject to such supervisory powers, if any, as may be given by the Board to the Chair, the President shall be the general manager and chief executive officer of the Corporation. Subject to the control of the Board, the President shall have general supervision, direction and control of the business and affairs of the Corporation. The President shall be an advisory member of all the standing committees, including the Executive Committee, and shall have the general powers and duties of management usually vested in the president of a corporation and shall have such other

powers and duties as may be prescribed by the Board and by these bylaws. The President may delegate responsibilities regarding management and operation of the Corporation to one or more Senior Vice-Presidents. The President shall have the additional title of “Chief Executive Officer.”

Section 6.7. Senior Vice-President. In the absence or disability of the President, the Senior Vice Presidents in order of their rank as fixed by the Board, or if not ranked, such other officer as may be designated by the Board, will act on behalf of President and shall perform all the duties of the President and when so acting shall have all of the powers and be subject to all of the restrictions upon the President.

Section 6.8. Secretary. The Secretary shall keep or cause to be kept, at the principal office of the Corporation, the original or a copy of the Corporation’s Articles of Incorporation and bylaws, as amended to date. The Secretary also shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors meetings, and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board required by these bylaws or by law to be given, and he/she shall keep the seal of the Corporation in safe custody and have such other powers and perform such other duties as may be prescribed by the Board and by the bylaws.

Section 6.9. Chief Financial Officer. The Chief Financial Officer (“CFO”) shall serve as Treasurer of the Corporation. The CFO shall have general supervisory responsibilities on behalf of the Board over the Corporation’s financial affairs. The CFO shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account at all times shall be open to inspection by any Director. The CFO shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The CFO shall disburse or cause to be disbursed the funds of the Corporation as shall be ordered by the Board. The CFO shall render to the President and the Directors, whenever they shall request it, an account of the transactions as CFO and the financial condition of the Corporation. The CFO shall take proper vouchers for all disbursements of the funds of the Corporation. The CFO shall have such other powers and perform such other duties as may be prescribed by the President, the Board and by these bylaws.

Section 6.10. Removal and Resignation. Except for the President, any officer may be removed, either with or without cause, by the Board at any time. In the case of an officer chosen by the President, the President shall also have the power of removal. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment. The President may be removed, either with or without cause, by the Statutory Member; provided, however, the removal of the President during the Transition Period shall also require the approval of the Board.

Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of receipt of such notice or at any later time

specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.11. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

ARTICLE VII GENERAL PROVISIONS

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year adopted by the Statutory Member, which currently is the fiscal year ending June 30.

Section 7.2. Inspection of Corporate Records. The books and records of the proceedings of members and the Board of Directors and of any committees of the Board shall be open to inspection at any reasonable time in accordance with Board approved policy.

Section 7.3. Voting Shares. The Corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board may appoint; or in the absence of any such appointment, by the President, or by the Senior Vice-President appointed by the President, if also a Director; and such officers or any of them, may likewise appoint a proxy to vote said shares.

Section 7.4. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board or the Executive Committee, or by the President and the Chair of the Board.

Section 7.5. Endorsement of Documents; Contracts. Subject to the provision of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement hereof executed or entered into between the Corporation and any other person, when signed by the Chair, the President, certain designated Senior Vice-Presidents, the Secretary, or the Chief Financial Officer shall be valid and binding on the Corporation, in the absence of actual knowledge on the part of the other person that the signing officer(s) had to authority to execute the same. Additionally, by resolution of the Board, general signatory authority may be granted and delegated to other persons on behalf of the Corporation. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, or the Chair, or the President.

Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 7.6. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms

“in writing” and “written” include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions , such as (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (b) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof; or (c) other means of electronic communication. In addition, electronic transmissions may be provided to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to and in accordance with the Nonprofit Public Benefit Corporations Code, and creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Section 7.7. Annual Reports. Pursuant to Section 6321 of the California Nonprofit Public Benefit Law, the CFO shall cause an annual report to be prepared and sent to the Statutory Member, each of the Directors, and others to be designated by the Board, no later than 120 days after the close of the fiscal year. Such annual report shall be prepared in conformity with the requirements of the California Nonprofit Public Benefit Corporation Law. The President shall cause an annual operating report to be prepared and sent to the Statutory Member, each of the Directors and others to be designated by the Board, no later than 120 days after the close of the fiscal year.

Section 7.8. Annual Statement of Certain Transactions and Indemnifications. Pursuant to Section 6322 of the California Nonprofit Public Benefit Corporation Law, the Corporation shall furnish an annual statement of certain transactions and indemnifications to the Statutory Member and the Directors not later than 120 days after the close of the fiscal year. If the Corporation issues an annual report as set forth in Section 7.7, this requirement shall be satisfied by including the required information, as set forth below, in such annual report. Such annual statement shall describe:

(a) Any “covered transaction” (defined below) during the previous fiscal year of the Corporation involving (i) more than Fifty Thousand Dollars (\$50,000), or (ii) which was one of a number of “covered transactions” in which the same “interested person” (defined below) had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Fifty Thousand Dollars (\$50,000). The statement shall describe the names of any “interested persons” involved in such covered transactions, including such “interested person’s” relationship to the transaction, and where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which the interested person is only a partner, only the interest of the partnership need be stated. For the purposes of this Section, a “covered transaction” is a transaction in which the Corporation, its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

- (i) Any Director or officer of the Corporation, or its parent or Affiliate; or
- (ii) Any holder of more than ten percent (10%) of the voting power of the Corporation, its parent or its Affiliate; and

(b) The amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year of the Corporation to any office or Director of the Corporation; provided, that no such report need be made in the case of indemnification approved by the Statutory Member.

For purposes of this Section, any person described in either subparagraph (i) or (ii) of subsection a. above is an “interested person.”

Section 7.9. Corporate Loans, Guarantees and Advances. The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, except as is expressly allowed under Section 5236 of the California Nonprofit Public Benefit Corporation Law and permitted by the Corporation’s tax-exempt status.

Section 7.10. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws.

ARTICLE VIII INDEMNIFICATION

Section 8.1. Definitions. For the purpose of this ARTICLE VIII, “agent” is defined in Section 5238(a) of the Nonprofit Public Benefit Corporation Act as any person who is or was serving at the request of the Corporation as a Director, officer, employee or other agent of the Corporation or is or was a Director, officer, employee or other agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a Director, officer, or employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; and “proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Section 8.4 or Section 8.5(b).

Section 8.2. Indemnification in Actions by Third Parties. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgement in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgements, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation, and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgement, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

Section 8.3. Indemnification in Actions by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General of a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgement in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action, if such person acted in good faith, in a manner such person believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 8.3:

(a) With respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 8.4. Indemnification Against Expenses. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 8.2 or Section 8.3 or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 8.5. Required Determinations. Except as provided in Section 8.4, any indemnification under this ARTICLE VIII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 8.2 or Section 8.3, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

Section 8.6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined

ultimately that the agent is entitled to be indemnified as authorized in this ARTICLE VIII. The provisions of Section 7.9 do not apply to advances made pursuant to this Section 8.6.

Section 8.7. Other Indemnification. No provision made by the Corporation to indemnify its or its Affiliate's Directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, bylaws, a resolution of members or Directors, an agreement or otherwise shall be valid unless consistent with this ARTICLE VIII. Nothing contained in this ARTICLE VIII shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise. The Corporation shall have the power to indemnify, to advance expenses to, or to procure insurance for any person, who is an agent of the Corporation (as the term "agent" is defined in Section 8.1), as long as such actions are consistent with this ARTICLE VIII and comply with the California Nonprofit Public Benefit Corporation Law.

Section 8.8. Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this ARTICLE VIII, except as provided in Section 8.4, Section 8.5(b) or Section 8.6 in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 8.9. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this ARTICLE VIII, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 8.10. Nonapplicability to Fiduciaries of Employee Benefit Plans. This ARTICLE VIII does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 8.1. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

ARTICLE IX MEDICAL STAFF

Section 9.1. Organization. The Board shall authorize and direct the organization of practitioners, granted practice privileges in the Hospital into a Medical Staff under the Medical Staff Bylaws approved by the Board. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his or her patients, subject to such limitations as are

contained in these bylaws and in the Medical Staff Bylaws, and subject further to any limitations attached to the staff member's appointment. Only licensed practitioners with clinical privileges in the Hospital shall be directly responsible for the diagnosis and treatment of patients.

Section 9.2. Disputes. In the event of a dispute between the Medical Staff and the Board relating to the independent rights of the Medical Staff, as further described in Business and Professions Code §2282.5, the Medical Staff and the Board shall meet and confer in good faith in accordance with the provisions of Article 15 of the Medical Staff Bylaws as approved by the Board.

Section 9.3. Medical Staff Bylaws. There shall be Medical Staff Bylaws, and amendments thereto, for the Medical Staff, which set forth its organization, governance, and responsibilities. Proposed amendments to the Medical Staff Bylaws, shall be recommended by the Medical Staff and Chief Medical Officer ("CMO") and shall be subject to approval by the Board, which approval shall not be unreasonably withheld. If approval is withheld, the reasons for doing so shall be specified by the Board in writing and shall be forwarded to the Chief of Staff, the Medical Staff Executive Committee and the Medical Staff Bylaws Committee, as well as to the CMO. Neither the Medical Staff nor the Board shall unilaterally amend the Medical Staff Bylaws. The Medical Staff shall review periodically the Medical Staff Bylaws, and submit, as necessary, proposed revisions to the Board for approval.

Section 9.4. Indemnification of Medical Staff. To the extent permitted by state law and these Bylaws, the Corporation shall indemnify, defend, and hold harmless the Medical Staff in accordance with Article 14 of the Medical Staff Bylaws as approved by the Board.

ARTICLE X EFFECTIVE DATE AND AMENDMENT

Section 10.1. Effective Date. These bylaws shall become effective immediately upon their adoption, unless the Statutory Member of the Corporation provides that they are effective at a later date.

Section 10.2. Amendment by Statutory Member. These bylaws and any part thereof may be amended or repealed and new bylaws may be adopted only by the Statutory Member; provided, however, during the Transition Period, the adoption of new bylaws or the amendment or repeal of these bylaws shall also require approval of the Board. Additionally, for as long as the Joint Powers Affiliation Agreement is in effect and has not expired or terminated, any amendment to these shall also require the approval of a majority of the University Directors then in office at the time of the bylaws amendment if such amendment: (a) reduces the University's representation on the Board to less than one-third (1/3) (as described in Section 5.5(d)), or (b) reduces the University's representation on a committee of the Board that has the ability to act on behalf of the Board without any further action of the Board to less than one-third (1/3) (as described in Section 5.20(b)).

Schedule 5.1(a)
Organization and Good Standing of RCHHC

RCHSD or Rady Children's Hospital Research Center d/b/a Rady Children's Institute for Genomic Medicine, as applicable, is registered with the applicable authority in each of the following jurisdictions:

1. Alabama
2. Arkansas
3. Arizona
4. Colorado
5. Connecticut
6. Florida
7. Georgia
8. Iowa
9. Idaho
10. Illinois
11. Indiana
12. Kansas
13. Kentucky
14. Louisiana
15. Massachusetts
16. Maryland
17. Michigan
18. Minnesota
19. Mississippi
20. North Carolina
21. New Jersey

22. New Mexico
23. New York
24. Nevada
25. Ohio
26. Oklahoma
27. Oregon
28. Pennsylvania
29. Rhode Island
30. South Carolina
31. Tennessee
32. Texas
33. Utah
34. Virginia
35. Vermont
36. Washington
37. Washington, DC
38. Wisconsin

Schedule 5.2
Third-Party Rights

None, except as communicated between the RCHHC General Counsel and CHC Chief Legal Officer.

Schedule 5.3

Legal Compliance

(b)

1. Between February 7, 2020 and June 4, 2020, Blackbaud, a fundraising service vendor engaged by RCHHC, experienced a security incident during which an unauthorized party accessed backup files that included personal information of members of the RCHHC community. U.S. Department of Health and Human Services Office for Civil Rights (“HHS OCR”) investigated the matter and sent a letter closing its investigation on September 10, 2021. This security incident is related to a pending class action against RCHHC.
2. On February 26, 2020, RCHSD reported to the California Department of Public Health (“CDPH”) that an employee accessed the electronic health records of a family member without authorization or a business need. CDPH issued a Statement of Deficiency on May 16, 2023. RCHSD submitted a Plan of Correction on May 25, 2023, and paid a fine of \$15,000.
3. Between June 20, 2019 and January 3, 2020, Ambra, service vendor engaged by RCHHC, experienced a security incident during which radiology-related patient information was accessed without authorization. RCHSD reported the incident to HHS OCR, and received an investigation closure letter from HHC OCR on August 19, 2021.
4. On April 19, 2018, RCHSD reported to CDPH that an employee accessed medical records of two patients without authorization or business need. RCHSD received a penalty notice from CDPH on January 28, 2022 and paid a fine of \$11,250.
5. On May 8, 2018, RCHSD reported to CDPH that an employee accessed medical records without authorization or business need. CDPH issued a Statement of Deficiency on October 9, 2020, and RCHSD submitted a Plan of Correction on October 22, 2020.
6. On May 10, 2018, RCHSD reported to CDPH that an employee accessed medical records without authorization or business need. CDPH issued a Statement of Deficiency on July 30, 2019, and RCHSD submitted a Plan of Correction on August 7, 2019.
7. On November 4, 2022, RCHSD reported to CDPH that two employees accessed patient information without a business need. On October 31, 2023, CDPH issued a Statement of Deficiency, and RCHSD submitted a Plan of Correction on November 10, 2023.
8. On January 9, 2023, RCHSD reported to CDPH that an employee accessed medical records without authorization or business need. On November 28, 2023, CDPH issued a Statement of Deficiency, and RCHSD submitted a Plan of Correction on December 7, 2023.

(f)

None.

(g)

Entity/Department	Accreditation/Certification	Accrediting Body	Effective Date	End Date
Helen Bernardy Center	Accreditation	The Joint Commission	7/25/2021	7/2024
Homecare	Certificate of Payment of Business Tax	City of San Diego	11/2022	10/2024
Homecare	Accreditation	The Joint Commission	7/26/2021	7/2024
Homecare	Unified Program Facility Permit	County of San Diego Department of Environmental Health and Quality		10/2024
RCHSD	Certificate of Accreditation - Transfusion Activities	Association for the Advancement of Blood & Biotherapies	1/2022	12/2023
RCHSD	Accreditation (Ultrasound; Computed Tomography; MRI; Nuclear Medicine)	American College of Radiology		[Current]
RCHSD	Level 1 Trauma Center	American College of Surgeons	1/2023	1/2025
RCHSD	Blood establishment registration	U.S. Food & Drug Administration	2023	2024
RCHSD	Business License (<i>two – one for Hospital Classification and one for Medical Office Classification</i>)	City of Chula Vista Finance Department Business License Unit	1/2023	12/2023
RCHSD	Business License Certificate, General Medical and Surgical Hospitals (<i>two – one for RCHSD and one for RCHSD – NICU</i>)	City of Escondido	N/A	11/2023
RCHSD	Business License	City of La Mesa	5/2022	4/30/24
RCHSD	Business License	City of Murrieta	2022	5/16/24
RCHSD	Business Licenses (<i>two</i>)	City of Oceanside	2022	8/2024 9/2024
RCHSD	Business Tax Certificate	City of San Diego		[Current]
RCHSD	Business Registration	City of Encinitas	12/2022	12/2023
RCHSD	Certificate of Payment of Business Tax (<i>multiple: Rady Children's Outpatient Psychiatry, RCHSD, Alexa's PLAYC, & one per address (including Engineer Rd, Copley, etc.)</i>)	City of San Diego	2022	All current through 2024
RCHSD (Alexa's PLAYC)	Day Care Center License	State of California Department of Social Services	9/1995	N/A
RCHSD	Electroencephalography Laboratory Accreditation	American Board of Registration of Electroencephalographic and Evoked Potential Technologists, Incorporated	2014	2024
RCHSD	Foundation for the Accreditation of Cellular Therapy (FACT)	FACT	22-Dec	25-Dec
RCHSD	General Acute Care Hospital License	California Department of Public Health	2023	2024
RCHSD	HPC Apheresis	U.S. Food & Drug Administration	2022	Valid through the end of 2023

Entity/Department	Accreditation/Certification	Accrediting Body	Effective Date	End Date
RCHSD	License for the Production of Biologics	State of California Department of Public Health	2023	2024
RCHSD	Level 4 Epilepsy Center	National Association of Epilepsy Centers (NAEC)	2022	2024
RCHSD	Permit to operate “internal combustion engine, emergency”	San Diego County Air Pollution Control District	2021	2024
RCHSD	Small Quantity Medical Waste Registrations (multiple locations)	County of San Diego Department of Environmental Health and Quality	2023	[Current]
RCHSD	Tissue Bank License	California Department of Public Health	2023	2024
RCHSD	Level 1 Pediatric Trauma Center	American College of Surgeons		7/21/2024
RCHSD	Controlled Substance Registration Certificate	Drug Enforcement Agency	2022	2025
RCHSD	Accreditation (three Accreditations – Nursing Care Center, Home Care, and Hospital)	The Joint Commission	2021	7/2024
RCHSD - Lab	Clinical and Public Health Laboratory Licenses (multiple locations)	California Department of Public Health	2022	[All valid through the end of 2023; some sites valid into 2024]
RCHSD - Lab	Clinical Laboratory Improvement Amendments (CLIA) (multiple locations)	California Department of Public Health	2022	[All valid through the end of 2023; some sites valid into 2024, 2025]
RCHSD - RCSSD	Certificate of Provider-Performed Microscopy Procedures	Centers for Medicare & Medicaid Services	1/2023	1/2025
RCHSD - RCSSD	Full Accreditation	Cystic Fibrosis Foundation	1/27/2023	N/A <i>Does not expire</i>
RCHSD – Children’s Medical Center Pharmacy	Certificate of Payment of Business Tax	City of San Diego	2022	6/2024
RCHSD – Retail Pharmacy	Controlled Substance Registration Certificate	Drug Enforcement Agency	8/2021	8/2024
RCHSD – Hospital Pharmacy	Controlled Substance Registration Certificate	Drug Enforcement Agency	8/2022	8/2025
RCHSD – Hospital Pharmacy	Hospital pharmacy permit	California State Board of Pharmacy	2022	8/2024
RCHSD – Pharmacy	Retail Pharmacy Permit	California State Board of Pharmacy	5/2023	5/2024
RCHSD – Pharmacy	Sterile Compounding License (two – one for Rm 2220 and one for Rm 2817)	Board of Pharmacy	2022	8/2024
RCIGM	Certificate of Payment of Business Tax	City of San Diego	2022	12/2023

Entity/Department	Accreditation/Certification	Accrediting Body	Effective Date	End Date
RCIGM	Enrollment in Medi-Cal program	State of California Health and Human Services Agency - Department of Health Care Services	5/2020	N/A <i>Does not expire</i>
RCIGM	Unified Program Facility Permit	County of San Diego Department of Environmental Health and Quality		12/2023
RCIGM - Lab	Clinical and Public Health Laboratory License	California Department of Public Health	4/2023	4/2024
RCIGM - Lab	Clinical Laboratory Improvement Amendments (CLIA)	Centers for Medicare & Medicaid Services	9/2023	9/2025
RCIGM - Lab	Clinical Laboratory Permit	New York State Department of Health	7/2023	6/2024
RCIGM - Lab	Clinical Laboratory Permit	Pennsylvania Department of Health	8/2023	8/2024
RCIGM - Lab	Medical Laboratory Permit	Maryland Department of Health Office of Health Care Quality		N/A <i>Does not expire</i>
RCIGM - Lab	Out of State Clinical Laboratory license	State of Rhode Island and Providence Plantations Department of Health Center for Health Facilities Regulation	2018	12/2023
RCPMS	Business Certificate	City of Poway	8/2022	8/2024
RCPMS	Business Certificate	City of Murrieta	2022	6/2024
RCPMS	Business Licenses (multiple – one per business address)	City of Chula Vista Finance Department Business License Unit	2023	12/2023
RCPMS	Business License	City of El Cajon	N/A	12/2023
RCPMS	Business License	City of Menifee	N/A	12/2023
RCPMS	Business License	City of Santee	4/2023	4/2024
RCPMS	Business License	City of Vista	10/2023	9/2024
RCPMS	Business License Certificate	City of Escondido	N/A	7/2024
RCPMS	Business License Certificate	City of Oceanside	6/2023	6/2024
RCPMS	Business License Certificates (multiple – one per business address)	City of Temecula	2023	2024
RCPMS	Business Registration	City of Encinitas	3/2023	3/2024
RCPMS	Business Registration Certificate	City of Wildomar	8/2023	8/2024
RCPMS	Business Registration Certificate	City of Carlsbad	6/2023	6/2024
RCPMS	Certificate of Payment of Business Tax (multiple – one per business address)	City of San Diego	9/2023	MULTIPLE DATES

**Schedule 5.6
Real Property**

(a)

RCHHC Owned Real Property and Related Leases

MAIN CAMPUS

3020 Children's Way, San Diego, CA 92123

1. Nelson Family Pavilion, 2nd Floor, Rooms 2618 and 2626: 2,938 Square Feet on Ground Floor – Rose Pavilion

3030 Children's Way, San Diego, CA 92123

3010 Children's Way, San Diego, CA 92123

8001 Frost Street, San Diego, CA 92123

2. 7910 Frost Street, San Diego, CA 92123 (original lease was for 8010 Frost Street; April 2019 amendment moved location) Suite 600

7960 Birmingham Drive, San Diego, CA 92123

8110 Birmingham Way, San Diego, CA 92123

3. Office Space on First and Second Floors

3101 Berger Avenue, San Diego, CA 92123

4. Assessor Parcel 427-081-0800

3065 Children's Way, San Diego CA 92123

2929 Children's Way, San Diego, CA 92123

5. Pad, Storage Area, and Residential Facility

8060 Frost Street, San Diego, CA 92123

8105 Birmingham Way, San Diego, CA 92123

PHYSICIANS MEDICAL CENTER

7910 Frost Street, San Diego, CA 92123

6. First Floor
7. Suite 110
8. Suite 170
9. Suite 180
10. Suite 250

- 11. Suite 280
- 12. Third Floor (Grant McGann DDS, Inc. Lease)
- 13. Third Floor (Eugenia J. Jacobson Lease)
- 14. Suite 320
- 15. Suite 340
- 16. Suite 350
- 17. Suites 370, 440, and 460
- 18. Suite 420
- 19. Suite 425
- 20. Suite 430

7920 Frost Street, San Diego, CA 92123

- 21. Suite 100
- 22. Suite 200

CHILDREN'S PLAZA

3665 Kearny Villa Road, San Diego, CA 92123

- 23. Room 1165
- 24. Second Floor (September 27, 2018 Lease)
- 25. Second Floor (August 27, 2021 Lease)

3685 Kearny Villa Road, San Diego, CA 92123

3615 KEARNY VILLA ROAD

3615 Kearny Villa Road, San Diego, CA 92123

AERO COURT COMPLEX

3678 Aero Court, San Diego, CA 92123

3570 Aero Court, San Diego, CA 92123

3580 Aero Court, San Diego, CA 92123

3654 Aero Court, San Diego, CA 92123

1192 SAXONY ROAD (1/3 ownership)

1192 Saxony Road, Encinitas, CA 92024

OCEANSIDE MOB/CASTLE OF CARE

3605 Vista Way, Oceanside, CA 92056

MURRIETA MOB

25170 Hancock Avenue, Murrieta, CA 92562

26. Suite 175

27. Suite 200

RCHHC Leased Real Property

28. 333 H Street, Suite 3010, Chula Vista, CA 91910

29. 11752 El Camino Real, Suite 100 and 150, San Diego, CA 92130

30. 354 Santa Fe Drive, Encinitas, CA 92024

31. 9888 Genesee Avenue, La Jolla, CA 92037

32. 4077 5th Avenue, San Diego, CA 92103 and 435 H Street, Chula Vista, CA 91910

33. The corner of Health Center Drive and Mesa College Drive, (APN #427-081-02), San Diego, CA 92123

34. 25500 Medical Center Drive, Murrieta, CA 92562

35. 386 East H Street, Suite 202, Chula Vista, CA 91910

36. 9730 Summers Ridge Rd., San Diego, CA 92121

37. 477 North El Camino Real, Suites D302 and D306, Encinitas, CA 92024

38. 2125 Citricado Parkway, Escondido, CA 92029 (Palomar Medical Center I)

39. 3887 Stetson Ave, Hemet, CA 92545

40. 3951 West Stetson Avenue, Hemet, CA 92545

41. 8112 Engineer Road, San Diego, CA 92111

42. 5898 Copley Drive, San Diego, CA 92111

43. 7798 Starling Drive, Unit 326, San Diego, CA 92123

44. 2204 El Camino Real, Suite 102, Oceanside, CA 92054

45. 865 3rd Avenue, Suite 101 and 101A, Chula Vista, CA 91911

a. Suite 101

b. One Exam Room or Office in Suite 101

46. 625 W Citracado Parkway, Escondido, CA 92025

a. Suite 200

47. 12036 Scripps Highland Drive, Suite 102, Suite A and B, San Diego, CA 92131

a. Suite B

48. 3257 Camino De Los Coches, Suite 202 and 203, Carlsbad, CA 92009 (Los Coches Village Shopping Center)

a. Suite 301

49. 27699 Jefferson Avenue, Suites 102, 106, 300, 301A, Temecula, CA 92590
50. 7300 Girard Avenue, Suite 106, 107, 108, La Jolla, CA 92037 (Marine Medical Plaza)
51. 15725 Pomerado Road, Suite 203, Poway, CA 92064
52. 1107 and 1109 S. Mission Road, Fallbrook, CA 92028
53. 292 Euclid Avenue, San Diego, CA, 92114
 - a. Suite 220
54. 2440 Fenton Street, Chula Vista, CA 91914
55. 499 N. El Camino Real, Suite B-100 and B-101, Encinitas, CA 92024
56. 844-848 Jackman Street, El Cajon, CA 92020
57. 16918 Dove Canyon Road, Suite 200, San Diego, CA
58. 5555 Reservoir Dr, San Diego, CA 92123 (Alvarado I)
59. 6699 Alvarado Road, San Diego, CA 92120 (Alvarado Plaza II)
 - a. Suites 2200, 2204, 2205, and 2206
60. 11943 El Camino Real, Suite 210, San Diego, California
61. 769 Medical Center Court, Suite 300, Chula Vista, CA 91911
62. 26900 Newport Rd., Suite 107, Menifee, VA 92584 (Newport Plaza Shopping Center)
63. 44274 George Cushman Ct., Suite 104 and 106, Temecula, CA 92592
64. 4150 Regents Park Row, Suite 355 and 365, La Jolla, CA 92037
65. 11943 El Camino Real, Suite 210, San Diego, CA, 92130 (Sublease)
66. 9600 Cuyamaca Street, Suite 101-104, Santee, CA 92071
67. 2067 W. Vista Way, Suite 180, Vista, CA 92083
68. 36320 Inland Valley Dr., Suite 203/206, Wildomar, CA 92595
69. 3564 Aero Court, San Diego, CA 92123
70. 3570 Aero Court, San Diego, CA 92123
71. 3580 Aero Court, San Diego, CA 92123
72. 8291 Aero Place, Suite 130, San Diego, CA 92123
73. 4305 University Avenue, Suite 545, San Diego, CA, 92105
74. 4305 University Avenue, Suite 150, San Diego, CA, 92105
75. 16950 Via Tazon, San Diego, CA 92127
 - a. Part Second Floor
76. 5555 Grossmont Center Drive, La Mesa, CA 91942
77. 5565 Grossmont Center Drive, Building 2, Suite 2, La Mesa, CA
78. 5776 Ruffin Road, Suite 100, San Diego, CA 92123
79. 5776 Ruffin Road, Suite 200, San Diego, CA 92123
80. 31170 Temecula Parkway, Suite 200, Temecula, CA 92592
81. 3880 Murphy Canyon Road, Suite 200, San Diego, CA 92123
82. 7650 Mission Valley Road, San Diego, CA 92108

(b)

None.

(d)

1. Campus Master Plan Phase I, including Intensive Care Unit-Emergency Services Pavilion
2. Campus Master Plan Enabling Projects
3. Campus Master Plan Related Projects: Bulk Oxygen Relocation, Helen Bernardy Center Relocation, CAPS Activity, Infusion, and Dialysis Relocation, and relocation of other clinical units.
4. Other Projects: SPD Synergy, Omnicell Cabinet Replacement

(e)

None.

Schedule 5.7
Environmental Matters

1. County of San Diego Compliance Inspection Report dated 2/18/2021 for 3020 Children's Way identified one administrative violation related to failure to timely submit a financial assurance mechanism associated with a storage tank. RCHHC believes this matter is resolved.
2. County of San Diego Compliance Inspection Report dated 2/15/2022 for 3020 Children's Way identified three violations associated with the management of wastes generated at the facility: employee training, labeling, and storage of wastes. RCHHC believes this matter is resolved.
3. County of San Diego Compliance Inspection Report dated 02/08/2023 for 3020 Children's Way identified two violations, each classified "Minor," related to maintenance of an underground storage tank. RCHHC believes this matter is resolved.
4. In 2021, the facility at 3020 San Children's Way incidentally mixed various non-hazardous wastes with small quantities of P-listed hazardous wastes, resulting in disposal of more than 2.2 pounds of total wastes that in the opinion of the County of San Diego Department of Environmental Health & Quality, Hazardous Materials Division should have been managed as P-listed waste. As a corrective measure, the agency required the facility to submit an updated biennial report for the year 2021. RCHHC believes this matter is resolved.

Schedule 5.8 Employment

(a)

1. United Nurses of Children's Hospital, affiliated with International Brotherhood of Teamsters, Local 1699.

(b)

1. *Whitney Abutin et al. v. Rady Children's Hospital San Diego*, Case No. 37-2021-14044, State of California, County of San Diego Superior Court.
2. *Juliet Barnia v. Rady Children's Hospital San Diego*, Case Number: 37-2023-00041000-CU-OE-CTL, State of California, County of San Diego Superior Court.
3. *Stephanie Jones v. Rady Children's Hospital San Diego*, Case Number: CV R12304478, State of California, County of Riverside Superior Court.
4. *Ashley Yates v. Rady Children's Hospital San Diego*, Case Number: 37-2023-00033736-CU-WT-CTL, State of California, County of San Diego Superior Court.
5. *Shelley Lawrence, M.D. v. The Regents of the University of California, Rady Children's Hospital, Rady Children's Hospital Research Center, Rady Children's Specialists of San Diego*, Case number: 37-2022-00010871-CU-WT-CTL, Superior Court of the State of California, County of San Diego, Central District.
6. *Yasmine Bowden v. Rady Children's Physician Management Services, Travelers*, EEOC charge number: 480-2022-05802, ADJ 16799597, Workers Compensation Appeals Board, State of California.

Schedule 5.9
RCHHC Employee Benefit Programs

(a)

1. Rady Children's Hospital – San Diego (RCHSD) Deferred Compensation Plan for Senior Management Employees
2. RCHSD Management Capital Accumulation Plan
3. RCHSD Management Incentive Compensation Plan
4. Rady Children's Hospital – San Diego 403(b) Plan
5. The Retirement Plan of Rady Children's Hospital and Health Center (RCHHC)
6. Children's Hospital and Health Center Legacy MetLife 457(b) Deferred Compensation Plan
7. Children's Hospital and Health Center Legacy 457(b) Deferred Compensation Plan
8. Rady Children's Hospital-San Diego Cafeteria Plan
9. RCHSD Health Care Flexible Spending Accounts
10. RCHSD Dependent Care Flexible Spending Accounts
11. RCHSD Comprehensive Health and Welfare Benefit Plan
12. RCHSD Life and disability insurance programs
13. RCHSD Employee Assistance Program
14. RCHSD Vision
15. RCHSD Dental
16. RCHSD Paid and Sick Leave
17. RCHSD Severance Pay
18. Rady Children's Hospital and Health Center Severance Policy for Senior Management Employees
19. Rady Children's Physician Management Services, Inc. (RCPMS) 401(k) Savings & Investment Plan
20. RCPMS Leadership Achievement Plan (Merit and Bonus)
21. RCPMS Welfare Benefits Plan
22. RCPMS Vacation Leave
23. RCPMS Life Insurance
24. RCPMS Health, Dental, Vision
25. RCPMS Employee Assistance Program
26. RCPMS Paid and Sick Leave
27. RCPMS Life Insurance, including optional supplemental, spouse, child
28. RCPMS Executive Life and Accidental Death/Dismemberment
29. RCPMS Executive Long Term Disability
30. RCPMS Flexible Spending Account
31. Other individual agreements provided from RCHHC General Counsel to CHC Chief Legal Officer.

(b)

1. A Voluntary Correction Program (VCP) submission was made on December 20, 2021 to the Internal Revenue Service (IRS) on behalf of The Retirement Plan of Rady Children's

Hospital and Health Center. The IRS has requested additional information regarding this submission by letter dated May 18, 2023. IRS final action is pending.

2. A VCP submission was made to the IRS on behalf of the Rady Children's Management Services 401(k) Savings and Investment Plan. The IRS issued a Compliance Statement, dated November 17, 2021. No additional action is pending.

Schedule 5.9(d)
ERISA Title IV or Multiemployer Plans

(i)

1. A Voluntary Correction Program (VCP) submission was made on December 20, 2021 to the IRS on behalf of The Retirement Plan of Rady Children's Hospital and Health Center. The IRS has requested additional information regarding this submission by letter dated May 18, 2023. IRS final action is pending.

(ii)

2. The Retirement Plan of Rady Children's Hospital and Health Center is subject to Title IV of ERISA.

Schedule 5.10
Litigation

1. Schedule 5.8(b) is incorporated herein by reference.
2. *Meyer-Gascay v. Rady Children's Hospital – San Diego*, Case Number: 3:2021cv00341, U.S. District Court, Southern District of California.
3. *Madison Meyer v. Rady Children's Hospital*, a California Corporation, Case Number: 37-2023-00037517-CU-CR-NC, Superior Court of the State of California, County of San Diego- North County Division.
4. *Doe v. Rady Children's Hospital – San Diego*, Case Number: 21CV0114-JM-RBB, State of California, County of San Diego Superior Court.
5. *Debra Miranda v. Rady Children's Hospital – San Diego*, Case Number: 35-2022-00047491CU-WT-CTL, State of California, County of San Diego Superior Court.
6. *Rojas v. The Regents of the University of California; Rady Children's Hospital; Daniela Carvalho, M.D.; Stanley Titus, RT; Yanbo Jiang, RN*, Case Number: 37-2023-00040924-CU-MM-CTL, Superior Court of the State of California, County of San Diego-Central Division.
7. *Rady Children's Hospital-San Diego, Zoological Society of San Diego, American Diabetes Association Inc. v. Rodney Frey*, Case Number: 37-2020-00028886-CU-OR-NC. Superior Court, San Diego County.
8. *Brittney Mejico v. Rady Children's Hospital – San Diego*, Case Number: 37-2023-00032370-CU-CR-CTL, State of California, County of San Diego Superior Court.

Schedule 5.12(b)
Certain Affiliations

1. Kenneth Buechler, PhD, a board member of RCIGM, serves as a member of the Board of Directors at Quidel Corp and is Co-Founder of Biosite, Inc. In fiscal year 2022, Rady Children's Lab has paid Quidel Corp. for COVID-19 related supplies.
2. Michael Farrell, a member of the RCHHC/RCHSD board, serves as the Chairman and Chief Executive Officer of ResMed. Payments are made to ResMed for services provided at RCHSD.
3. Gail Knight, M.D., a corporate officer at each of RCHHC and RCHSD, has a son who is contracted to provide clinical services at RCHSD.
4. Jill Strickland, a member of the RCPMS board and a corporate officer of RCHHC and RCHSD, serves on the Governing Board of Ronald McDonald House, which does business with RCHSD.
5. James Uli, a member of the RCPMS board and a corporate officer at RCHHC, RCHSD, has a spouse employed by Abbott Vascular, which does business with RCHSD.

Schedule 5.14
Insurance

(a)

See attached.

Coverage	Insurance Company	Policy Period	Policy Number	Coverage Information	Deductible/ Retention	Premium
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]						
[REDACTED]						
[REDACTED]						

**Rady Children's Hospital and Health Center
Insurance Program Summary
2023-2024**

[illegible]

Rady Children's Hospital and Health Center
Insurance Program Summary
2023-2024

Coverage	Insurance Company	Policy Period	Policy Number	Coverage Information	Deductible/ Retention	Premium

(b)

None.

Schedule 5.17
RCHHC Tax-Exempt Bonds

1. California Statewide Communities Development Authority, Variable Rate Revenue Bonds (Rady Children's Hospital-San Diego), Series 2008A
2. California Statewide Communities Development Authority, Variable Rate Revenue Bonds (Rady Children's Hospital-San Diego), Series 2008B
3. California Statewide Communities Development Authority, Variable Rate Revenue Bonds (Rady Children's Hospital-San Diego), Series 2008C
4. California Statewide Communities Development Authority, Variable Rate Revenue Bonds (Rady Children's Hospital-San Diego), Series 2008D
5. California Statewide Communities Development Authority, Revenue Refunding Bonds (Rady Children's Hospital-San Diego), Series 2016A
6. California Statewide Communities Development Authority, Revenue Refunding Bonds (Rady Children's Hospital-San Diego), Series 2016B

Schedule 7.5(c)
RCHHC Operations – RCHHC Excepted Entities

None, except as communicated between the RCHHC General Counsel and CHC Chief Legal Officer.

Schedule 6.1

Organization, Power, Absence of Conflicts

1. Orange County Medical Reciprocal Insurance Company, a Risk Retention Group is domiciled in Arizona.
2. Children's Hospital of Orange County is registered as a business in Arizona.
3. Children's Hospital of Orange County is registered as a business in Florida.
4. Children's Hospital of Orange County is registered as an employer in Georgia.
5. Children's Hospital of Orange County is registered as a business in Idaho.
6. Children's Hospital of Orange County is registered as an employer in Kansas.
7. Children's Hospital of Orange County is registered as a business in Missouri.
8. Children's Hospital of Orange County is registered as a business in Nevada.
9. Children's Hospital of Orange County is registered as an employer in North Carolina.
10. Children's Hospital of Orange County is registered as an employer in Oregon.
11. Children's Hospital of Orange County is registered as an employer in Texas.
12. Children's Hospital of Orange County is registered as an employer in Tennessee.
13. Children's Hospital of Orange County is registered as an employer in Wyoming.
14. CHOC Foundation is registered in the following states:
 - Alabama
 - Alaska
 - Arkansas
 - Colorado
 - Connecticut
 - Florida
 - Georgia
 - Hawaii
 - Illinois
 - Kansas
 - Kentucky
 - Maine
 - Maryland
 - Massachusetts
 - Michigan
 - Minnesota
 - Mississippi
 - Nevada
 - New Hampshire
 - New Jersey
 - New Mexico
 - New York
 - North Carolina
 - North Dakota
 - Ohio
 - Oklahoma
 - Oregon
 - Pennsylvania
 - Rhode Island
 - South Carolina
 - Tennessee
 - Utah

- Virginia
- Washington
- West Virginia
- Wisconsin

Schedule 6.2

Third-Party Rights

None.

Schedule 6.3

Legal Compliance

- (a) In September 2019, Children’s Hospital of Orange County became aware of a billing compliance issue in which it had been receiving facility fee payments associated with outpatient professional services performed by hospital employed nurse practitioners that were not enrolled in Medi-Cal. CHOC promptly investigated the issue, self-disclosed to the Office of the Inspector General (OIG) on March 12, 2020, and settled the matter with the OIG.
- (b)
 - (i) None.
 - (ii) None.
 - (iii) See Attachment to Schedule 6.3(b)(iii).
- (d) On February 7, 2022, the California Department of Health Care Services (“DHCS”) requested that CHOC perform a self-audit of all 340B Program claims since the initiation of the program. The audit period was December 1, 2016 through August 1, 2021. Overpayments were reported to DHCS on September 2, 2022, and CHOC is working with DHCS to come to a mutually agreeable settlement.
- (f) Schedule 6.3(d) is incorporated herein by reference.
- (g) See Attachment to Schedule 6.3(g).

Date of Incident	Date CHOC Became Aware of Incident	Incident Summary	Incident Category	Incident Subcategory	Entity	Area of Occurrence	How did CHOC learn about the incident	CDPH Reportable	Date CDPH Notified	OCR Reportable	Date OCR Notified	Internal Status	Internal Close Date		
	May 11, 2018	On [REDACTED], it was discovered that a [REDACTED] had taken a [REDACTED] patient (NAME REDACTED) and [REDACTED] off-campus to the [REDACTED] place of residence. The [REDACTED] resides in a [REDACTED] [REDACTED] as the [REDACTED] has a [REDACTED] [REDACTED] this [REDACTED] discovered the PHI in the [REDACTED] room and brought it to [REDACTED] attention. It is believed that the [REDACTED] took the [REDACTED] from the file rack located behind the counter of the [REDACTED] as this is the location that the [REDACTED] worked in the capacity of a [REDACTED]. The investigation concluded that the [REDACTED] actions were motivated by her [REDACTED] and that she had no malicious intent. The [REDACTED] returned the PHI to [REDACTED] in its entirety. In total, the documents contained the following information belonging to the affected patient: [REDACTED] [REDACTED] completed an investigation with the [REDACTED] in which the [REDACTED] which resulted in [REDACTED] also completed an Action Plan and performed follow up with the [REDACTED] belonging to one CHOC Children's patient (NAME REDACTED) was mistakenly included by [REDACTED] in a packet of information belonging to another CHOC Children's patient. On [REDACTED] the unintended recipient became aware of the mistake and notified CHOC Children's. On [REDACTED] the unintended recipient returned the document to CHOC Children's in its entirety. In total, the document contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. The CDPH-reporting deadline is [REDACTED] 15 business days after the date CHOC Children's became aware of the incident. Reporting deadline met. CHOC Children's [REDACTED] has addressed the incident with department staff and reinforced the process for responding to medical record requests. The parties responsible for causing the incident have been reeducated on patient privacy and security expectations and policies relevant to their roles.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Community Provider	Yes	May 25, 2018	No			N/A	Closed	May 31, 2018
	Jul 16, 2018	On [REDACTED], a single page of a [REDACTED] belonging to one CHOC Children's patient (NAME REDACTED) was mistakenly included by [REDACTED] in a packet of information belonging to another CHOC Children's patient. On [REDACTED] the unintended recipient became aware of the mistake and notified CHOC Children's. On [REDACTED] the unintended recipient returned the document to CHOC Children's in its entirety. In total, the document contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. The CDPH-reporting deadline is [REDACTED] 15 business days after the date CHOC Children's became aware of the incident. Reporting obligations fulfilled. CHOC Children's [REDACTED] has reeducated staff via the unit's safety huddle and direct follow up with [REDACTED] in regards to maintaining patient privacy with medical paperwork. The party responsible for the incident has been reeducated on [REDACTED] CHOC Children's discovered that it had mistakenly sent an [REDACTED] containing the Protected Health Information of a CHOC Children's patient (NAME REDACTED) to the wrong patient family (NAME REDACTED), the wrong [REDACTED] and the [REDACTED] (which the patient was not a client of). The unintended recipients have shred their copy of the [REDACTED]. The [REDACTED] contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved party and reeducated them on information privacy/security expectations. Patient Notification Letter sent on [REDACTED] CDPH Notification Letter sent on [REDACTED]	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Jul 31, 2018	No			N/A	Closed	Aug 1, 2018
	Jul 24, 2018	On [REDACTED], a [REDACTED] and [REDACTED] were mistakenly included in a patient's [REDACTED] which was taken home by the patient's parent. On [REDACTED] during a routine discharge phone call with the unintended recipient, the error was brought to CHOC Children's attention. On the same day, the unintended recipient provided a copy of the documents to CHOC Children's and shred the copy that was in their possession. In total, the document contained the following PHI belonging to the [REDACTED] No financial information or Social Security Number was included. This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. The CDPH-reporting deadline is [REDACTED] 15 business days after the date CHOC Children's became aware of the incident. Reporting obligations fulfilled. CHOC Children's [REDACTED] has reeducated staff via the unit's safety huddle and direct follow up with [REDACTED] in regards to maintaining patient privacy with medical paperwork. The party responsible for the incident has been reeducated on [REDACTED] CHOC Children's discovered that it had mistakenly sent an [REDACTED] containing the Protected Health Information of a CHOC Children's patient (NAME REDACTED) to the wrong patient family (NAME REDACTED), the wrong [REDACTED] and the [REDACTED] (which the patient was not a client of). The unintended recipients have shred their copy of the [REDACTED]. The [REDACTED] contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved party and reeducated them on information privacy/security expectations. Patient Notification Letter sent on [REDACTED] CDPH Notification Letter sent on [REDACTED]	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Aug 3, 2018	No			N/A	Closed	Aug 4, 2018
	Dec 11, 2018	On [REDACTED], CHOC Children's [REDACTED] has reeducated staff via the unit's safety huddle and direct follow up with [REDACTED] in regards to maintaining patient privacy with medical paperwork. The party responsible for the incident has been reeducated on [REDACTED] CHOC Children's discovered that it had mistakenly sent an [REDACTED] containing the Protected Health Information of a CHOC Children's patient (NAME REDACTED) to the wrong patient family (NAME REDACTED), the wrong [REDACTED] and the [REDACTED] (which the patient was not a client of). The unintended recipients have shred their copy of the [REDACTED]. The [REDACTED] contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved party and reeducated them on information privacy/security expectations. Patient Notification Letter sent on [REDACTED] CDPH Notification Letter sent on [REDACTED]	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	CHOC Associate	Yes	Dec 31, 2018	No			N/A	Closed	Jan 25, 2019
	Dec 18, 2018	On [REDACTED], the parent of a CHOC Children's patient (NAME REDACTED) was mistakenly given a [REDACTED] containing the Protected Health Information of a different CHOC Children's patient (NAME REDACTED). On [REDACTED] the unintended recipient notified CHOC Children's of the mistake and agreed to mail the document back to CHOC Children's in its entirety. The document contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved party and reeducated them on privacy/security expectations and discharge procedures. Notification obligations fulfilled ahead of deadline.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Jan 8, 2019	No			N/A	Closed	Feb 2, 2018
	Oct 9, 2018	On [REDACTED], a patient's legal guardian reported concerns that [REDACTED] CHOC Children's, inappropriately accessed their child's (NAME REDACTED) medical records. On [REDACTED] an internal investigation concluded that [REDACTED] also accessed another [REDACTED] (NAME REDACTED) records and both instances of access did not serve a legitimate business purpose. The [REDACTED] was terminated from [REDACTED] at CHOC Children's. In total, the following PHI was inappropriately viewed: [REDACTED] No financial information or Social Security Number was viewed. Joint [REDACTED] investigation concluded, resulting in the individual who engaged in the inappropriate access being terminated from [REDACTED] at CHOC Children's. Patient [REDACTED] the parent of a CHOC Children's patient (NAME REDACTED) was mistakenly given to [REDACTED] the parent of another CHOC Children's patient (NAME REDACTED). On [REDACTED] the associate responsible for the error realized their mistake and contacted the unintended recipient who agreed to shred the document. In total, the document contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] addressed the incident with department staff, reinforced the process for double-checking patient identifiers prior to making disclosures of PHI, and had them re-take the Organization's annual Privacy Training module. The party responsible for causing the incident has been coached and reeducated on patient privacy and security expectations and policies relevant to their role. Patient Notification sent on [REDACTED] CDPH [REDACTED]	Privacy/Security-HIPAA	Improper Access	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Oct 19, 2018	No			N/A	Closed	Oct 24, 2018
	Oct 20, 2018	On [REDACTED], the parent of a CHOC Children's patient was mistakenly given 2 paper documents containing the Protected Health Information of 2 different CHOC Children's patients. On [REDACTED] the unintended recipient returned the documents to CHOC Children's in their entirety. One of the documents contained the following information belonging to Patient #1 (NAME REDACTED): [REDACTED] No financial information or Social Security Number was included. The other document contained the following information belonging to Patient #2 (NAME REDACTED): [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved party and reeducated them on privacy/security expectations and discharge procedures.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	CHOC Associate	Yes	Nov 6, 2018	No			N/A	Closed	Nov 10, 2018
	Nov 13, 2018	On [REDACTED], the parent of a CHOC Children's patient was mistakenly given 2 paper documents containing the Protected Health Information of 2 different CHOC Children's patients. On [REDACTED] the unintended recipient returned the documents to CHOC Children's in their entirety. One of the documents contained the following information belonging to Patient #1 (NAME REDACTED): [REDACTED] No financial information or Social Security Number was included. The other document contained the following information belonging to Patient #2 (NAME REDACTED): [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved party and reeducated them on privacy/security expectations and discharge procedures.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Nov 26, 2018	No			N/A	Closed	Jan 3, 2019
	Jan 22, 2019	On [REDACTED], the parent of a CHOC Children's patient (NAME REDACTED) was mistakenly given a [REDACTED] containing the Protected Health Information of a different CHOC Children's patient (NAME REDACTED) while at the [REDACTED] CHOC Children's. On [REDACTED] the unintended recipient notified CHOC Children's of the mistake and returned the document to CHOC Children's in its entirety. The document contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included. CHOC Children's [REDACTED] in the responsible area has addressed the incident with the involved parties and reeducated them on privacy/security expectations and discharge procedures.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Jan 31, 2019	No			N/A	Closed	Feb 4, 2019
	Jan 31, 2019	On [REDACTED], the parent of a CHOC Children's patient (NAME REDACTED) mistakenly received the [REDACTED] of a different CHOC Children's patient (NAME REDACTED). The unintended recipient notified CHOC Children's on the same day. The unintended recipient returned the [REDACTED] to CHOC in its entirety. The [REDACTED] was physically mailed from CHOC Children's [REDACTED]. The document contained the following information belonging to the affected patient: [REDACTED] No financial information or Social Security Number was included.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Feb 19, 2019	Yes		Apr 3, 2019	Closed	Apr 3, 2019	
	May 1, 2019	CHOC Children's [REDACTED] has addressed the incident with the involved parties, reeducated them on privacy/security expectations and discharge procedures. On [REDACTED] the CHOC Children's [REDACTED] mistakenly gave (NAME REDACTED) a [REDACTED] document to the wrong patient family. On [REDACTED] the unintended recipient realized the mistake after taking the document to a [REDACTED] and being informed they had been given the wrong patient's paperwork. On the same day, the unintended recipient notified CHOC Children's of the mistake and returned the document to CHOC Children's in its entirety. The document contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. This incident has been reported to CDPH and the affected patient's representative. CHOC Children's [REDACTED] in the responsible area has addressed the incident with clinic staff and reeducated them on privacy/security expectations and document disclosure processes.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Apr 24, 2019	No			N/A	Closed	May 3, 2019
	Apr 4, 2019	On [REDACTED], the [REDACTED] mistakenly included a [REDACTED] patient's (NAME REDACTED) [REDACTED] that was given to a [REDACTED]. On [REDACTED] the [REDACTED] realized the mistake at their home and on the same day returned the [REDACTED] to the [REDACTED] in their entirety. On [REDACTED] the [REDACTED] was notified of the incident and notified CHOC Orange. The [REDACTED] contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. This incident has been reported to CDPH and the affected patient's representative. CHOC Children's [REDACTED] has addressed the incident with their staff and reeducated them on discharge procedures and safeguarding patient information.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Apr 24, 2019	No			N/A	Closed	May 3, 2019
	Jun 25, 2019	On [REDACTED], the CHOC Children's [REDACTED] mistakenly gave portions of a CHOC Children's patient's [REDACTED] to the family of the wrong CHOC Children's patient. On [REDACTED] the [REDACTED] received an envelope from the unintended recipient containing: (1) a letter that described what occurred and (2) returned, original portions of the [REDACTED] that the unintended recipient received in error. The pages of the [REDACTED] contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. External reportability threshold met. [REDACTED] sent a notification letter to the affected patient's representative and CDPH. [REDACTED] will address the incident with their staff and reeducate them on discharge procedures and safeguarding patient information.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Jul 9, 2019	No			N/A	Closed	Jul 9, 2019
	Sep 17, 2019	On [REDACTED], the CHOC Children's [REDACTED] mistakenly sent a patient's (NAME REDACTED) [REDACTED] home with the wrong patient family (NAME REDACTED). On [REDACTED] the unintended recipient realized the mistake, notified CHOC Children's, and shred the document. The document contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. This incident was concluded as being CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. CDPH and the affected patient's legal representative were notified in accordance with regulatory deadlines. CHOC Children's [REDACTED] addressed the incident with the responsible party and reeducated them on privacy/security expectations.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Oct 7, 2019	No			N/A	Closed	Oct 8, 2019
	Sep 26, 2019	On [REDACTED], CHOC Children's [REDACTED] mistakenly sent a patient's [REDACTED] home with the wrong patient family. On [REDACTED] the unintended recipient realized the mistake, notified CHOC Children's, and shred the document. The document contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Oct 15, 2019	No			N/A	Closed	Oct 15, 2019
	Nov 21, 2019	On [REDACTED] (NAME REDACTED) [REDACTED] were mistakenly sent home with the wrong patient family during a visit to the CHOC Children's [REDACTED] the unintended recipient realized the mistake, notified CHOC Children's, and agreed to return the original document. The document contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. Breach notification letters were sent to the affected patient's representative and CDPH in accordance with CA reporting requirements. [REDACTED] and [REDACTED] followed up with the [REDACTED] a patient's parent notified CHOC Children's that CHOC Children's had mailed them the wrong patient's paperwork. The unintended recipient mailed the paperwork back to CHOC Children's. The document contained the following information belonging to the affected patient (NAME REDACTED): [REDACTED] No financial information was included.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Apr 27, 2020	No			N/A	Closed	Apr 27, 2020
	Apr 7, 2020	This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Breach notification materials submitted in accordance with regulatory requirements. [REDACTED] in the responsible area addressed this incident with [REDACTED] a patient's parent notified CHOC Children's that they received a [REDACTED] which contained the wrong patient's information. The [REDACTED] contained the following information belonging to the affected patient (NAME REDACTED): [REDACTED] No payment card, banking information, or Social Security Number was included.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	May 6, 2020	No			N/A	Closed	May 6, 2020
	Apr 21, 2020	This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Breach notification materials submitted in accordance with regulatory requirements. [REDACTED] in the responsible area addressed this incident with the involved parties. On [REDACTED] a patient's parent notified CHOC Children's that CHOC Children's had mailed them the wrong patient's [REDACTED]. The unintended recipient mailed the paperwork back to CHOC Children's. The document contained the following information belonging to the affected patient (NAME REDACTED): [REDACTED] No financial information was included.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Apr 27, 2020	No			N/A	Closed	Apr 27, 2020
	Aug 20, 2020	This incident is considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Breach notification materials submitted in accordance with regulatory requirements. [REDACTED] in the responsible area addressed this incident with [REDACTED] CHOC Children's found that a CHOC Children's [REDACTED] accessed the electronic medical record of three patients in their unit of coverage that they were not in a treatment relationship with and that they did not seek prior approval to access. The accessed patients were: (NAME REDACTED), (NAME REDACTED), (NAME REDACTED). The information accessed consisted of [REDACTED] No Social Security Number or financial information was accessed. Based on the [REDACTED] role and the circumstances, we do not believe they acted with malicious intent. Regardless, their access was not in compliance with our policies and the employee has been terminated from employment at CHOC Children's. CDPH has been notified of the incident. A Patient Notification Letter has been sent to each the affected [REDACTED] can [REDACTED] a patient's parent notified CHOC Children's that CHOC Children's had sent them home with the wrong patient's [REDACTED] made 3 attempts to contact the unintended recipient to request document return or destruction, (but no response has been received yet). The document contained the following information belonging to the affected patient (NAME REDACTED): [REDACTED] No financial information and no Social Security Number was included. CDPH has been notified of the incident. A Patient Notification Letter has been sent to the affected patient's representative. [REDACTED] in the responsible area has addressed this incident with the involved party and reviewed identity verification procedures with applicable staff.	Privacy/Security-HIPAA	Improper Access	[REDACTED]	[REDACTED]	CHOC Associate	Yes	Sep 9, 2020	No			N/A	Closed	Sep 9, 2020
	Sep 11, 2020	On [REDACTED], an [REDACTED] patient's parent notified CHOC Children's that CHOC Children's had sent them home with the wrong patient's [REDACTED] made 3 attempts to contact the unintended recipient to request document return or destruction, (but no response has been received yet). The document contained the following information belonging to the affected patient (NAME REDACTED): [REDACTED] No financial information and no Social Security Number was included. CDPH has been notified of the incident. A Patient Notification Letter has been sent to the affected patient's representative. [REDACTED] in the responsible area has addressed this incident with the involved party and reviewed identity verification procedures with applicable staff.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Sep 29, 2020	No			N/A	Closed	Sep 29, 2020
	Sep 23, 2020	On [REDACTED], a CHOC Children's [REDACTED] mistakenly texted an image to the wrong patient family. The CHOC Children's [REDACTED] actions did not comply with CHOC Children's established secure texting guidelines. The image contained the following information regarding the affected patient: [REDACTED] No Social Security Number and no financial information was included. CDPH has been notified of the incident. A Patient Notification Letter has been sent to the affected patient's representative. [REDACTED] spoke with [REDACTED] about the incident and reeducated [REDACTED] on approved secure texting protocol through [REDACTED]	Privacy/Security-HIPAA	Email/Electronic Disclosure	[REDACTED]	[REDACTED]	Community Member	Yes	Sep 29, 2020	No			N/A	Closed	Sep 30, 2020
	Oct 1, 2020	On [REDACTED], the parent of a CHOC patient notified CHOC that CHOC had mistakenly mailed them a document that belonged to a different patient. The unintended recipient returned the document to CHOC in its entirety. The document, an [REDACTED] (NAME REDACTED), was found to have been mailed out by the [REDACTED]. The document contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. Notification letters sent to the affected patient's representative and CDPH. [REDACTED] in the responsible area has addressed this incident with the involved party and reviewed identity/address verification procedures [REDACTED]	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Oct 21, 2020	No			N/A	Closed	Oct 21, 2020
	Dec 1, 2020	On [REDACTED], the [REDACTED] mistakenly included a [REDACTED] patient's [REDACTED] that was sent home with a [REDACTED] patient. The [REDACTED] patient realized the mistake the following day and returned the [REDACTED] to the [REDACTED] in its entirety. The [REDACTED] was in regards to (NAME REDACTED). On [REDACTED] the [REDACTED] was notified of the incident and notified [REDACTED]. The [REDACTED] contained the following information belonging to the affected patient: [REDACTED] No financial information and no Social Security Number was included. Notification letters sent to the affected patient's representative and CDPH. [REDACTED] in the responsible area has addressed the incident with their staff and reeducated them on discharge procedures and verification of patient identity.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Dec 17, 2020	No			N/A	Closed	Dec 17, 2020
	Jan 4, 2021	On [REDACTED], two unrelated patient families called to inform CHOC that they had received the wrong patient's [REDACTED] in the mail. The unintended recipients both returned the documents to CHOC in their entirety. Investigation concluded that this was a single internal incident that resulted in mail for "Family A" being addressed to "Family B" and vice versa. The affected patients are (NAME REDACTED) and (NAME REDACTED). The documents both contained the following patient information: [REDACTED] No financial information or Social Security Number was included. The incident was considered CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. [REDACTED] in the responsible area has addressed this incident with the involved party and reviewed identity/address verification procedures [REDACTED]	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	Patient/Guardian/Family M	Yes	Jan 14, 2021	No			N/A	Closed	Jan 15, 2021
	Mar 25, 2021	On [REDACTED], a patient's mother notified CHOC that she had received a [REDACTED] in the mail regarding a different patient. The unintended recipient stated she would shred the document. The document contained the following patient information: [REDACTED] No financial information or Social Security Number was included. The mailing error occurred in [REDACTED] and an Action Plan was completed by [REDACTED]. The privacy incident was concluded as being externally reportable to CDPH and notification letters were sent to [REDACTED]	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	[REDACTED]	CHOC Associate	Yes	Apr 12, 2021	No			N/A	Closed	Apr 12, 2021

		Jun 2, 2021	On [REDACTED], it was discovered that the [REDACTED] physically mailed [REDACTED] and an [REDACTED] for [NAME REDACTED] to the wrong patient family. The unintended recipient [REDACTED] called the mother of the affected patient under the belief that she was calling a CHOC physician. An English-speaking family member of the unintended recipient assisted in translation, at which point the error was realized. On [REDACTED], the affected patient's mother notified CHOC of the incident, stating that [REDACTED]. The unintended recipient shredded the documents that they received in error. The documents contained the following patient information: [REDACTED]. No Social Security Number or financial information was included. This incident was determined to be CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Compliance completed notification requirements.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	Patient/Guardian/Family M	Yes	Jun 16, 2021	No	N/A	Closed	Jun 16, 2021
		Apr 14, 2021	On [REDACTED], a patient's mother notified CHOC that she had received [REDACTED] in the mail regarding a different patient. [NAME REDACTED]. The unintended recipient shredded the document. The document contained the following patient information: [REDACTED]. No financial information or Social Security Number was included. This incident was determined to be CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Compliance completed notification requirements.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	Patient/Guardian/Family M	Yes	Apr 26, 2021	No	N/A	Closed	Apr 26, 2021
		Jun 9, 2021	On [REDACTED], CHOC determined that the [REDACTED] of [NAME REDACTED] was accessed between [REDACTED] and [REDACTED] by individuals not involved in the patient's care. The access was performed by [REDACTED], who provide documentation services to [REDACTED], and also one CHOC [REDACTED] who viewed an alias record. Investigation did not identify any misuse or sharing of the information outside the organization. The following patient information was visible during the access by the [REDACTED]. For the alias record accessed by the CHOC [REDACTED], visible information was limited to: [REDACTED]. No financial information or Social Security Number was included or visible to the [REDACTED] or [REDACTED]. This incident was determined to be CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Compliance completed notification requirements.	Privacy/Security-HIPAA	Improper Access	[REDACTED]	CHOC Associate	Yes	Jun 28, 2021	Yes	Jan 4, 2022	Closed	Aug 6, 2021
		Apr 15, 2021	On [REDACTED], a patient's mother was sent home with the [REDACTED] of a different patient. [NAME REDACTED]. On [REDACTED], the unintended recipient notified CHOC of the error and returned the document to CHOC. The document contained the following patient information: [REDACTED]. No financial information or Social Security Number was included. This incident was determined to be CDPH-reportable as the unauthorized disclosure of PHI not falling under any reporting exceptions. Compliance completed notification requirements.	Privacy/Security-HIPAA	Paper Disclosure	[REDACTED]	Patient/Guardian/Family M	Yes	Apr 26, 2021	No	N/A	Closed	Apr 26, 2021

Attachment to Schedule 6.3(g)
CHC Entity Licenses, Permits & Accreditations¹

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
1.	8.1.1	Children Hospital at Mission Children's Healthcare of California 27700 Medical Center Rd Mission Viejo, CA 92691-6426	Seller's Permit	California Department of Tax and Fee Administration	024902657-00002	1/1/1993	N/A
2.	8.1.1	Children's Hospital of Orange County Children's Healthcare of California 1201 W La Veta Ave Orange, CA 92868-4203	Seller's Permit	California Department of Tax and Fee Administration	024902657-00001	4/1/1986	N/A
3.	8.1.2	Children's Hospital at Mission 27700 Medical Center Road Mission Viejo, CA 92691-6426	CLIA Certificate of Waiver	Centers for Medicare & Medicaid Services	05D0878819	11/5/2023	11/4/2025
4.	8.1.3	Children's Hospital at Mission Mission Viejo, CA	Hospital Accreditation	The Joint Commission	ID# 5103		<i>Current</i>
5.	8.1.4	CHOC Children's at Mission Hospital Sleep Center	Certificate of Accreditation	American Academy of Sleep Medicine	350748	5/26/2022	5/26/2027
6.	8.1.5	Children's Hospital at Mission 27700 Medical Center Rd, Floor 5 Mission Viejo, CA 92691-6426	General Acute Care Hospital License	State of California Department of Public Health	060000348	1/1/2023	12/31/2023
7.	8.1.6	CHOC Children's at Mission Hospital 27700 Medical Center Rd. Mission Viejo, CA 92691	Tissue Bank License	State of California Department of Public Health	CTB 00080698	7/13/2022	7/12/2023
8.	8.1.7	Edinger Pediatrics, Inc. 9900 Talbert Avenue, Suite 201 Fountain Valley, CA 92708	Clinical Laboratory Registration	California Department of Public Health	CLR-00318069	2/13/2023	2/12/2024

¹ For any expired licenses or accreditations, renewed copies have been obtained or are being obtained in the ordinary course.

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
9.	8.1.8	Clinica CHOC Para Ninos (dba for CHOC) 406 South Main St Santa Ana, CA 92701	Laboratory Registration	California Department of Public Health	CLR-00320403-1	3/11/2023	3/10/2024
10.	8.1.9	Total Pediatrics of Orange County 1640 Newport Blvd, Suite 360 Costa Mesa, CA 92627	Clinical Laboratory Registration	California Department of Public Health	CLR-00338153	12/22/2022	12/21/2023
11.	8.1.10	CMG Centrum 1120 W. La Veta Avenue, Suite 125 Orange, CA 92868	Clinical Laboratory Registration	California Department of Public Health	CLR-00320403-4	3/11/2023	3/10/2024
12.	8.1.11	CHOC Clinic at the Boys & Girls Club of Santa Ana 1000 W Highland St Santa Ana, CA 92703	Clinical Laboratory Registration	California Department of Public Health	CLR-00320403-2	3/11/2023	3/10/2024
13.	8.1.12	Pediatric & Adult Medicine Inc. 18102 Irvine Blvd, Suite 103 Tustin, CA 92780-3423	Clinical Laboratory Registration	California Department of Public Health	CLR-00319351	2/9/2023	2/8/2024
14.	8.1.13	Sea View Pediatrics 23521 Paseo De Valencia, Ste 200 Laguna Hills, CA 92653	Clinical Laboratory Registration	California Department of Public Health	CLR-00339861	10/15/2023	10/14/2024
15.	8.1.14	CHOC Clinic at Garden Grove 10602 Chapman Ave Garden Grove, CA 92843	Clinical Laboratory Registration	California Department of Public Health	CLR-00320403-3	3/11/2023	3/10/2024
16.	8.1.15	Anjali Monga MD Inc 15825 Laguna Cyn Rd, Ste 102 Irvine, CA 92618	Clinical Laboratory License	California Department of Public Health	CNC-00330196 CLIA: 05D1009512	02/24/2003	No Expiration
17.	8.1.16	Children's Hospital of Orange County DBA CHOC Primary Care Network 15825 Laguna Canyon Rd, Ste 102	Business License	City of Irvine	190004619	1/15/2022	1/31/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		Irvine, CA 92618-2126					
18.	8.1.17	Children's Hospital of Orange County DbA CHOC Primary Care Network 23521 Paseo De Valencia, Suite 200	Certificate of Use and Occupancy	City of Laguna Hills	CO-0046-2019	10/14/2019	N/A
19.	8.1.18	Los Alamitos Pediatric Medical Group Inc. 10861 Cherry St #305 Los Alamitos, CA 90720-5402	Business License Tax Certificate	City of Los Alamitos	01601823	8/1/2022	7/31/2023
20.	8.1.19	CHOC Primary Care Network 10861 Cherry St, Unit 305 Los Alamitos, CA 90720-5403	Business License Tax Certificate	City of Los Alamitos	01610465	8/1/2022	7/31/2023
21.	8.1.20	Angela Allevato MD Inc 431 Batavia St Ste 203 Orange, CA 92868-3939	Business License Certificate	City of Orange	114226	1/3/2005	12/31/2023
22.	8.1.21	Pomona Pediatrics 250 W Bonita Ave 200 Pomona, CA 91766-1863	Business License	City of Pomona	00204005	12/12/2022	12/31/2023
23.	8.1.22	Children's Hospital of Orange County, dba CHOC Primary Care Network 30212 Tomas, Suite 220	Certificate of Use and Occupancy	City of Rancho Santa Margarita	2019-1184	10/15/2019	N/A
24.	8.1.23	CHOC Primary Care Network 1031 Avenida Pico, 106 San Clemente, CA 92673	Business Tax Certificate	City of San Clemente	SC Business No – 319774 Transaction Bl No – BL-319774	10/8/2019	10/31/2023
25.	8.1.24	CHOC Primary Care Network 1300 Avenida Vista Hermosa #200 San Clemente, CA 92673	Business Tax Certificate	City of San Clemente	SC Business No – 311230 Transaction Bl No – BL-038088	6/20/2008	6/30/2023
26.	8.1.25	CHOC Primary Care Network	Business Tax Certificate	City of Tustin	Account No. 99071461	N/A	12/31/2022

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		18102 Irvine Blvd, 103 Tustin, CA 92780-3423					
27.	8.1.26	Anjali Monga MD Inc 15825 Laguna Cyn Rd, Ste 102 Irvine, CA 92618	CLIA Certificate of Waiver	Centers for Medicare & Medicaid Services	05D1009512	2/18/2021	2/17/2023
28.	8.1.27	Los Alamitos Pediatric Medical Group 10861 Cherry St, Ste 305 Los Alamitos, CA 90720-5402	CLIA Certificate of Waiver	Centers for Medicare & Medicaid Services	05D0694255	5/22/2021	5/21/2023
29.	8.1.28	Pediatric & Adult Medicine Inc 18102 Irvine Blvd, Ste 103 Tustin, CA 92780-3423	CLIA Certificate of Waiver	Centers for Medicare & Medicaid Services	05D0911357	1/2/2021	1/1/2023
30.	8.1.29	Total Pediatrics of Orange County 1640 Newport Blvd, Suite 320 Costa Mesa, CA 92627	CLIA Certificate of Waiver	Centers for Medicare & Medicaid Services	05D1093617	12/24/2022	12/23/2024
31.	8.1.30	Children's Hospital of OC dba CHOC Primary Care Network 12 Journey, Ste 100 Aliso Viejo, CA 92656	Certificate of Use and Occupancy	City of Aliso Viejo	2019-1522	10/16/2019	N/A
32.	8.1.31	Total Pediatrics of Orange County 1640 Newport Blvd, 360 Costa Mesa, CA 92627-3786	Business License Tax Certificate	City of Costa Mesa	32946	N/A	10/31/2023
33.	8.1.32	Children's Hospital of Orange County dba CHOC Primary Care Network 30212 Tomas, Ste 220	Certificate of Use and Occupancy	City of Rancho Santa Margarita	2019-1184	10/15/2019	N/A
34.	8.1.33	CHOC Medical Foundation 505 S Main St, Ste 600 Orange, CA 92868-4526	Business License Certificate	City of Orange	161392	11/1/2011	10/31/2023
35.	8.1.34	CHOC Children's Specialists, Neurosurgery Division	Business License Certificate	City of Orange	167032	1/1/2014	12/31/2022

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		1010 W La Veta Ave, Ste 710 Orange, CA 92868-4306					
36.	8.1.35	CHOC Children's Specialists, Ophthalmology Division Children's Hospital of Orange County 1120 W La Veta, Ste 100 Orange, CA 92868-4215	Business License Certificate	City of Orange	187086	7/1/2017	6/30/2023
37.	8.1.36	CHOC Medical Foundation 1010 W La Veta Ave, Ste 710 Orange, CA 92868-4306	Business License Certificate	City of Orange	161396	11/1/2011	10/31/2023
38.	8.1.37	CHOC Medical Foundation 505 S Main St, Ste 1200 Orange, CA 92868-4511	Business License Certificate	City of Orange	161390	11/1/2011	10/31/2023
39.	8.1.38	CHOC Children's Health Center 1201 W La Veta Ave Orange, CA 92868-4203	Business License Certificate	City of Corona	03944551	12/1/2022	11/30/2023
40.	8.1.39	CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92868-4203	Business License Certificate	City of Fountain Valley	00020674	8/1/2022	7/31/2023
41.	8.1.40	CHOC Children's Specialists 101 E Valencia Mesa Dr	Business Registration Certificate	City of Fullerton	567496	2/1/2023	1/31/2024
42.	8.1.41	CHOC Children's Specialists 19582 Beach, Unit 350 Huntington Beach, CA	Business License	City of Huntington Beach	A291169	11/1/2021	10/31/2022
43.	8.1.42	Children's Hospital of Orange County CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92868-4203	Business License	City of Irvine	140001588	4/20/2022	4/30/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
44.	8.1.43	CHOC Pediatric Specialty Clinic 500 Superior #140 Newport Beach, CA 92663-3660	Business License Tax Certificate	City of Newport Beach	BT30033255	9/24/2010	9/30/2023
45.	8.1.44	CHOC Children's Specialists 446 Old Newport Blvd Newport Beach, CA 92660	Business License Tax Certificate	City of Newport Beach	BT30045590	12/1/2013	12/31/2023
46.	8.1.45	CHOC Children's Specialists Children's Hospital of Orange County 505 S Main St, Ste 650 Orange, CA 92868-4509	Business License Certificate	City of Orange	206271	5/12/2021	4/30/2023
47.	8.1.46	CHOC Medical Foundation 725 W La Veta Ave, Ste 100 Orange, CA 92868-4445	Business License Certificate	City of Orange	161395	11/1/2011	10/31/2023
48.	8.1.47	CHOC Medical Foundation 505 S Main St, Ste 300 Orange, CA 92868-4523	Business License Certificate	City of Orange	164897	8/1/2012	7/31/2023
49.	8.1.48	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Computed Tomography Accreditation	American College of Radiology	CTAP #52827-01	8/4/2022	7/29/2025
50.	8.1.49	Children's Hospital of Orange County Orange, CA	Diagnostic Imaging Center of Excellence Accreditation	American College of Radiology	DICOE #00000-00	10/19/2022	10/19/2025
51.	8.1.50	CHOC Children's Specialists Children's Hospital of Orange 1770 N Orange Grove Ave, 210 Pomona, CA 91766-3027	Business License	City of Pomona	00146764	6/27/2022	6/30/2023
52.	8.1.51	CHOC Children's Specialists 1798 N Garey Ave	Business License	City of Pomona	00146719	6/27/2022	6/30/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		Pomona, CA 91767-2918					
53.	8.1.52	CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92868-4203	Business Tax Certificate	City of Riverside	1232771	N/A	1/31/2023
54.	8.1.54	CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92868	Business Tax Certificate	City of Seal Beach	14205775	7/1/2022	6/30/2023
55.	8.1.55	CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92868	Business License	City of Whittier	104135	N/A	5/31/2023
56.	8.1.56	CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92868-4203	Business Registration Certificate	Town of Apple Valley	00014058	10/13/2022	10/31/2023
57.	8.1.57	CHOC Foundation 1120 W La Veta Ave, Ste 500 Orange, CA 92868-4278	Business License Certificate	City of Orange	210339	4/19/2022	3/31/2023
58.	8.1.58	CHOC Children's Sleep Center Children's Hospital of Orange County Diagnostic Services – Sleep Center 1201 W La Veta Ave Orange, CA 92868	Sleep Facility Accreditation	American Academy of Sleep Medicine	339796	5/26/2022	5/26/2027
59.	8.1.59	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Computed Tomography Accreditation	American College of Radiology	CTAP #52827-02	8/4/2022	7/29/2025
60.	8.1.59	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Computed Tomography Accreditation	American College of Radiology	CTAP #52827-01	8/4/2022	7/29/2025

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
61.	8.1.60	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Ultrasound Accreditation	American College of Radiology	UAP #51540	7/27/2021	8/27/2024
62.	8.1.61	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	MRI Accreditation	American College of Radiology	MRAP #53207-01	12/22/2020	4/21/2024
63.	8.1.62	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	MRI Accreditation	American College of Radiology	MRAP #53207-02	12/22/2020	4/21/2024
64.	8.1.63	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Nuclear Medicine Accreditation	American College of Radiology	NMAP #53573-01	7/29/2022	7/29/2025
65.	8.1.64	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Nuclear Medicine Accreditation	American College of Radiology	NMAP #53573-02	7/29/2022	7/29/2025
66.	8.1.65	CHOC RN Residency Program Children's Health of Orange County	Practice Transition Program Accreditation Industry-Recognized Apprenticeship Program (IRAP) Designation	American Nurses Credentialing Center	PTAP0248	3/28/2022	4/30/2026
67.	8.1.66	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (alternative use of cardiac catheterization laboratory space)	California Department of Public Health	N/A	8/11/2021	8/10/2023
68.	8.1.67	Children's Hospital of Orange County	Approval of Program Flexibility Letter (use	California Department of Public Health	N/A	8/26/2021	8/25/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		1201 W La Veta Ave Orange, CA 92868	of interventional radiology clinic rooms for overflow)				
69.	8.1.68	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (compliance with event related sterility)	California Department of Public Health	N/A	8/11/2021	8/10/2023
70.	8.1.69	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (treatment for newborns' eyes)	California Department of Public Health	N/A	8/25/2021	8/24/2023
71.	8.1.70	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (nurse to patient ratio)	California Department of Public Health	N/A	9/12/2022	9/11/2023
72.	8.1.71	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (pathological examination)	California Department of Public Health	N/A	6/21/2022	6/20/2024
73.	8.1.72	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (inspection of drug supplies)	California Department of Public Health	N/A	8/2/2021	8/1/2023
74.	8.1.73	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (pharmacy technician tasks)	California Department of Public Health	N/A	8/2/2021	8/1/2023
75.	8.1.74	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility Letter (assistance in cardiac surgery)	California Department of Public Health	N/A	12/6/2021	12/5/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
76.	8.1.75	Children's Hospital of Orange County 3745 W Chapman Ave Orange, CA 92868	Certificate of Registration (Radiation Machines)	California Department of Public Health	FAC00074060	N/A	1/31/2025
77.	8.1.76	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Certificate of Registration (Radiation Machines)	California Department of Public Health	FAC00069268	N/A	11/30/2024
78.	8.1.77	Hematology Advanced Diagnostics 1201 W La Veta Ave CHOC, Rsch Bldg, 5 th Fl, Rm 560 Orange, CA 92868-4203	Clinical Laboratory License; Certificate of Deemed Status	California Department of Public Health	CDF-00338493	6/7/2023	6/6/2024
79.	8.1.78	Children's Hospital of Orange County (CHOC) Metabolic Laboratory 1201 W La Veta Ave Research Bldg, 5 th Fl, Rm 530 Orange, CA 92868	Clinical Laboratory License; Certificate of Deemed Status	California Department of Public Health	CDF-00332320	2/19/2023	2/18/2024
80.	8.1.79	CHOC Children's Clinical Blood Gas Laboratory 1201 W La Veta Ave Orange, CA 92868-4203	Clinical Laboratory License; Certificate of Deemed Status	California Department of Public Health	CDF-00004372	12/30/2022	12/29/2023
81.	8.1.80	CHOC Children's Hospital Clinical Laboratory 1201 W La Veta Ave Orange, CA 92868	Clinical Laboratory License; Certificate of Deemed Status	California Department of Public Health	CDF-00343255	11/28/2022	11/27/2023
82.	8.1.81	Allevato Pediatrics 431 S. Batavia St., Suite 203 Orange, CA 92868	Clinical Laboratory Registration	California Department of Public Health	CLR-00332709	9/23/2023	9/22/2024
83.	8.1.82	Children's Hospital of Orange County Blood Bank Doner Center	Clinical Laboratory Registration	California Department of Public Health	CLR-00320405	7/14/2022	7/13/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		1201 West Laveta Ave Orange, CA 92868					
84.	8.1.83	CHOC Children's Endocrine and Diabetes Services 520 Superior Ave, Ste. 160 Newport Beach, CA 92663	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404-2	5/19/2023	5/18/2024
85.	8.1.84	Children's Hospital of Orange County 1201 W. La Veta Avenue Orange, CA 92868	Approval for Office Storage of Medical Records	California Department of Public Health, Licensing and Certification Program, Orange District Office	N/A	08/12/2021	N/A
86.	8.1.85	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Approval of Program Flexibility (tuberculosis symptom review)	California Department of Public Health, Center for Health Care Quality	N/A	9/09/2022	9/08/2023
87.	8.1.86	CHOC Childrens Health Center Corona 854 Magnolia St, Suite 140 Corona, CA 92879	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404-5	5/19/2023	5/18/2024
88.	8.1.87	CHOC Children's Health Center Huntington Beach 19582 Beach Blvd, Suite 380 Huntington Beach, CA 92648	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404-4	5/19/2023	5/18/2024
89.	8.1.88	CHOC Children's Health Center Mission Viejo 26691 Plaza, Suite 130 Mission Viejo, CA 92691	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404-6	5/19/2023	5/18/2024
90.	8.1.89	CHOC Children's Specialty Services, Newport Beach 500 Superior Ave., STE 140 Newport Beach, CA 92663	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404-1	5/19/2023	5/18/2024
91.	8.1.90	Children's Hospital of Orange County Urology Clinic	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404-3	5/19/2023	5/18/2024

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		505 S. Main Street Orange, CA 92868					
92.	8.1.91	CHOC Orange Clinic 3745 W Chapman Ave STE 100 Orange, CA 92868-1656	Clinical Laboratory Registration	California Department of Public Health	CLR-00320403	3/11/2023	3/10/2024
93.	8.1.92	Orange Doctors of Kids and Teens A Medical Corporation 1310 W Stewart Dr., Suite 506 Orange, CA 92668	Clinical Laboratory Registration	California Department of Public Health	CLR-00312941 CLIA: 05D0862996	1/01/2023	12/31/2023
94.	8.1.93	Southern Orange County Pediatrics Assoc 777 Corporate Drive Suite 250 Ladera Ranch, CA 92694	Clinical Laboratory Registration	California Department of Public Health	CLR-00330703 CLIA: 05D0716413	12/02/2022	12/01/2023
95.	8.1.94	SO Orange County Pediatrics 23321 El Toro Rd, F, G and H Lake Forest, CA 92630	Clinical Laboratory Registration	California Department of Public Health	CLR-00311050	3/30/2023	3/29/2024
96.	8.1.95	Children's Hospital of Orange County 1201 West La Veta Ave Orange, CA 92868	Approval of Program Flexibility (transport team)	California Department of Public Health	N/A	7/20/2021	7/19/2022
97.	8.1.96; 8.1.97 (duplicate)	Children's Hospital of Orange County 1201 West La Veta Orange, CA 92868	Radiologic Technology Diagnostic School Affiliated Clinical Site Approval	California Department of Public Health, Radiologic Health Branch	Registration (Facility) Number: 69268	9/01/2022	8/31/2023
98.	8.1.98	CHOC Blood and Marrow Transplant Laboratory 1201 West La Veta Orange, CA 92868	Tissue Bank License	California Department of Public Health	CTB 00082011	5/11/2022	5/10/2023
99.	8.1.99	Children's Hospital of Orange County	Tissue Bank License	California Department of Public Health	CTB 00080542	10/17/2022	10/16/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		1201 West La Veta Orange, CA 92868					
100.	8.1.100	Prolacta Bioscience, Inc 757 Baldwin Park Blvd. City of Industry, CA 91746	Tissue Bank License	California Department of Public Health	CTB 00080994	10/14/2022	10/13/2023
101.	8.1.101	Southern Orange County Pediatrics 30212 Tomas Suite 220 Rancho Santa Margartia, CA 92688	Clinic Laboratory Registration	California Department of Public Health	CLR-00311051	12/05/2022	12/04/2023
102.	8.1.102	Southern Orange County Pediatrics Associates 1300 Avenida Vista Hermosa #200 San Clemente, CA 92673	Clinic Laboratory Registration	California Department of Public Health	CLR-00332392	12/06/2022	12/05/2023
103.	8.1.103	Thomson Autism Center Children's Health of Orange County 170 S Main St Orange, CA 92868	Clinical Laboratory Registration	California Department of Public Health	CLR-90008592	1/31/2023	1/30/2024
104.	8.1.104	Childrens Hospital of Orange County Specialty Clinic 1201 W. La Veta Ave Orange, CA 92868	Clinical Laboratory Registration	California Department of Public Health	CLP-00320404 CLIA: 05D0918856	5/19/2023	5/18/2024
105.	8.1.105	Children's Hospital of Orange County <i>for operation of</i> CHOC Clinic at the Boys & Girls Club of Santa Ana 1000 Highland St Santa Ana, CA 92703	Community Clinic License	California Department of Public Health	060000765	2/19/2023	2/18/2024
106.	8.1.106	Children's Hospital of Orange County <i>for operation of</i> CHOC Clinic Garden Grove 10602 Chapman Ave Garden Grove, CA 92840	Community Clinic License	California Department of Public Health	550000118	1/26/2023	1/25/2024

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107.	8.1.107	Children's Hospital of Orange County <i>for operation of</i> CHOC Orange Clinic 3745 W Chapman Ave, Floor 1 Orange, CA 92868	Community Clinic License	California Department of Public Health	060000942	11/10/2023	11/09/2024
108.	8.1.108	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	General Acute Care Hospital License	California Department of Public Health	060000011	12/01/2023	11/30/2024
109.	8.1.109	Pomona Pediatrics 250 West Bonita Ave, Suite 200 Pomona, CA 91767	Clinical Laboratory Registration	California Department of Public Health	CLR-00307680	1/28/2023	1/27/2024
110.	8.1.110	Children's Hospital of Orange County 455 South Main Street Orange, CA 92868	Letter regarding Total Number of Certified Beds	California Department of Public Health	CCN: 05-3304	4/22/2013	N/A
111.	8.1.111	Children's Hospital of Orange County <i>for operation of</i> Clinica CHOC Para Ninos 406 S Main St Santa Ana, CA 92701	Community Clinic License	California Department of Public Health	060000375	3/1/2023	2/29/2024
112.	8.1.112	CHOC Blood and Marrow Transplant Laboratory 1201 W La Veta Ave Orange, CA 92868	License for the Production of Biologics	California Department of Public Health	9546	2/01/2023	1/31/2024
113.	8.1.113	Children's Hospital of Orange County Blood Bank Donor Center 505 South Main St Orange, CA 92868	License for the Production of Biologics	California Department of Public Health	9330	7/17/2022	7/16/2023
114.	8.1.114	CHOC Children's Transfusion Services	License for the Production of Biologics	California Department of Public Health	9750	12/31/2022	12/30/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		1201 W Laveta Ave, Holmes Tower Orange, CA 92868					
115.	8.1.115	Children's Hospital of Orange County 1201 W. Laveta Ave Orange, CA 92868	Hospital Inpatient Pharmacy Permit	California State Board of Pharmacy	HSP 37315	08/23/2023	10/01/2024
116.	8.1.116	Children's Hospital of Orange Co Clinic Phy 1201 W La Veta Ave Orange, CA 92868	Retail Pharmacy Permit	California State Board of Pharmacy	PHY 37215	05/26/2023	07/01/2024
117.	8.1.117	Children's Hospital of Orange County Hospital Pharmacy 1201 W La Veta Ave Orange, CA 92868	Sterile Compounding License	Board of Pharmacy	LSC 100232	09/26/2023	10/01/2024
118.	8.1.118	Children's Hospital of Orange County Hospital Pharmacy of Satelli 1201 W La Veta Ave Orange, CA 92868	Sterile Compounding License	Board of Pharmacy	LSC 100233	09/26/2023	10/01/2024
119.	8.1.119	Children's Hospital of Orange County 1201 W La Veta Ave Hospital Pharmacy Ed Satellite Orange, CA 92868	Sterile Compounding License	Board of Pharmacy	LSC 100234	09/26/2023	10/01/2024
120.	8.1.120	Children's Hospital of Orange County Hospital 1201 W La Veta Ave Orange, CA 92868	Sterile Compounding License	Board of Pharmacy	LSC 100231	09/26/2023	10/01/2024
121.	8.1.121	Prolacta Bioscience, Inc 1800 Highland Ave Duarte, CA 91010	Tissue Bank License	California Department of Public Health	CTB 0082052	04/22/2022	04/21/2023
122.	8.1.122	CHOC Children's Hospital Tissue Bank – PERIOP	Tissue Bank License	California Department of Public Health	CTB 00080970	03/01/2022	02/28/2023

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		1201 West Laveta Ave Orange, CA 92868					
123.	8.1.123	Childrens Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	Seller's Permit	California Department of Tax and Fee Administration	024902657-00001	04/01/1986	N/A
124.	8.1.124	Childrens Hospital of Orange County Co Clinic Phy 1201 W La Veta Ave Orange, CA 92868	Retail Pharmacy License	California State Board of Pharmacy	PHY 37215	04/03/2023	07/01/2024
125.	8.1.125; 8.1.230	CHOC Clinic Orange 3745 West Chapman Ave #100 Orange, CA 92868	Clinic Permit	California State Board of Pharmacy	CLN 4302	05/17/2023	05/01/2024
126.	8.1.126; 8.1.231	CHOC Clinic Garden Grove 10602 Chapman Ave #100 Garden Grove, CA 92840	Clinic Permit	California State Board of Pharmacy	CLN 4146	05/10/2023	05/01/2024
127.	8.1.127; 8.1.229	CHOC Clinic at Boys and Girls Club Santa Ana 1000 W Highland St Santa Ana, CA 92703	Clinic Permit	California State Board of Pharmacy	CLN 4144	05/10/2023	05/01/2024
128.	8.1.128; 8.1.228	CHOC Clinica Para Ninos 406 Main St Santa Ana, CA 92701	Clinic Permit	California State Board of Pharmacy	CNL 4143	05/10/2023	05/01/2024
129.	8.1.129	Sea View Pediatrics 23521 Paseo De Valencia STE 200 Laguna Hills, CA 92653	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D2010494	07/29/2022	07/28/2024
130.	8.1.130	Sea View Pediatrics 1031 East Avenida Pico STE 106 San Clemente, CA 92673	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D2010492	01/26/2022	01/25/2024
131.	8.1.132	CHOC Childrens Hospital of Orange County	CLIA Certificate of Accreditation	Centers for Medicare and Medicaid Services	05D2050461	10/30/2023	10/29/2025

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		1201 W Laveta Ave Orange, CA 92868					
132.	8.1.133	CHOC Children's Clinical Blood Gas Laboratory 1201 W La Veta Ave Orange, CA 92868	CLIA Certificate of Accreditation	Centers for Medicare and Medicaid Services	05D0694739	02/28/2023	02/27/2025
133.	8.1.134	Hematology Advanced Diagnostics 1201 W Laveta Ave Orange, CA 92868	CLIA Certificate of Accreditation	Centers for Medicare and Medicaid Services	05D1098339	02/19/2022	02/18/2024
134.	8.1.135	CHOC Metabolic Laboratory 1201 W La Veta Ave Orange, CA 92868	CLIA Certificate of Accreditation	Centers for Medicare and Medicaid Services	05D1033521	10/04/2023	10/03/2025
135.	8.1.136	Children's Hospital OR Orange County Specialty Clinic 1201 W Laveta Ave Orange, CA 92868	CLIA Certificate of Provider-Performed Microscopy Procedures	Centers for Medicare and Medicaid Services	05D0918856	08/26/2023	08/25/2025
136.	8.1.137	Hollenberg, Agrawal, Knoll, Warren, Ho & Tillis 250 W Bonita Ave STE 200 Pomona, CA 91767	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D0677550	03/03/2022	03/02/2024
137.	8.1.138	Childrens Hospital of Orange County Apheresis Unit 1201 W La Veta Ave Orange, CA 92868	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D0918857	08/21/2022	08/2024
138.	8.1.139	Children's Hospital of Orange County 1201 W La Veta Ave Orange, CA 92868	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D0918855	07/18/2021	07/17/2023
139.	8.1.140	Seaview Pediatric 5 Journey #140	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D2010491	07/29/2022	07/28/2024

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		Aliso Viejo, CA 92656					
140.	8.1.141	Sea View Pediatric 15785 Laguna Canyon Rd STE 120 Irvine, CA 92618	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D2029538	05/16/2022	05/15/2024
141.	8.1.142	CHOC Hospital 1201 W. La Veta Ave. Orange, CA 92868	Certificate of Registration – Weights and Measures	County of Orange Agricultural Commissioner's Office	WO-04075.5	N/A	06/30/2023
142.	8.1.143	Children's Hospital of Orange County	Comprehensive Children's Emergency Receiving Center Designation	County of Orange Health Care Agency Emergency Medical Services	N/A	08/01/20217	08/31/2020
143.	8.1.144	Children's Hospital of Orange County 455 South Main Street Orange, CA 92868	Radio Station Authorization (Call Sign WQPD239)	Federal Communications Commission	FRN: 0021546387	04/06/2022	04/11/2032
144.	8.1.145	CHOC Hospital 455 S Main St Orange, CA 92868	Radio Station Authorization (Call Sign WNQH463)	Federal Communications Commission	FRN: 0011338365	09/11/2014	09/08/2024
145.	8.1.146	CHOC Children's Hospital Blood and Marrow Transplant Program Orange, CA	FACT Accreditation	Foundation for the Accreditation of Cellular Therapy	N/A	03/04/2021	03/04/2024
146.	8.1.147	CHOC Parking Structure 1201 W La Veta Ave #D Orange, CA 92867	Fire Code Permit	Orange City Fire Department	5122	08/2017	08/2018
147.	8.1.148	CHOC South Tower 1201 W La Veta Ave #A Orange, CA 92867	Fire Code Permit	Orange City Fire Department	5121	08/2022	08/2023
148.	8.1.149	CHOC North Tower 1201 W La Veta Ave Unit B Orange, CA 92868	Fire Code Permit	Orange City Fire Department	5120	08/2022	08/2023

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149.	8.1.150	CHOC Parking Structure 525 S Main St Orange, CA 92868	Fire Code Permit	Orange City Fire Department	77	08/2017	08/2018
150.	8.1.152	SO Orange County Pediatrics 23321 El Toro Rd F&G El Toro, CA 92630	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D0716413	09/01/2022	08/31/2024
151.	8.1.153	Southern Orange County Pediatrics Association 777 Corporate Drive Suite 250 Ladera Ranch, CA 92694	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D1014199	06/27/2021	06/26/2023
152.	8.1.154	Southern Orange County Pediatrics 30212 Tomas Suite 220 Rancho Santa Margarita, CA 92688	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D0716414	09/01/2022	08/31/2024
153.	8.1.155	Southern Orange County Pediatrics Assts 1300 Avenida Vista Hermosa STE 200 San Clemente, CA 92673	CLIA Certificate of Waiver	Centers for Medicare and Medicaid Services	05D1034457	12/03/2022	12/02/2024
154.	8.1.156	CHOC 10602 Chapman Ave Garden Grove, CA 92840	Business License Tax Certificate	City of Garden Grove	177598	N/A	08/31/2023
155.	8.1.157	CHOC Pediatric Specialty Clinic 500 Superior #140 Newport Beach, CA 92663-3660	Business License Tax Certificate	City of Newport Beach	BT30033255	9/24/2010	9/30/2023
156.	8.1.158	Children's Hospital of Orange County 120 W. La Veta Ave FL 2 Orange, CA 92868-4203	Business License Certificate	City of Orange	24900	4/1/1979	9/30/2023
157.	8.1.159	Children's Hospital Gift Shop 120 W. La Veta Ave FL 2	Business License Certificate	City of Orange	42276	10/5/1964	9/30/2023

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		Orange, CA 92868-4203					
158.	8.1.160	Children's Hospital Orange County – Neurology Clinic 505 S Main St Orange County, CA 92868-4509	Business License Certificate	City of Orange	183935	11/5/2015	10/31/2023
159.	8.1.161	Sodexo at Children's Hospital Orange County / Retail 120 W. La Veta Ave Orange, CA 92868-4203	Business License Certificate	City of Orange	159372	8/19/2011	7/31/2023
160.	8.1.162	CHOC Children's Breathmobile 810 W Collins Ave Orange, CA 92867-5516	Business License Certificate	City of Orange	168503	7/1/2009	06/30/2023
161.	8.1.163	Thompson Autism Center at CHOC Children's 170 S Main St Orange, CA 92868-2801	Business License Certificate	City of Orange	200335	1/6/2020	12/31/2023
162.	8.1.167	Children's Hospital of Orange County 1000 W. Highland St. Santa Ana, CA 92701	Certificate of Occupancy	City of Santa Ana	No. 80363056	12/13/2000	N/A
163.	8.1.168	CHOC Clinica Para Ninos 406 S Main Street Santa Ana, CA 92701	Certificate of Occupancy	City of Santa Ana	No. 80312046	4/16/1997	N/A
164.	8.1.169	Children's Hospital of Orange County South Tower Heliport 1201 W. La Veta Ave Orange, CA 92868-4203	Heliport Permit	California Department of Transportation, Division of Aeronautics	No. ORA-068(H)	4/19/2013	N/A
165.	8.1.170	Children's Hospital of Orange County North Tower Heliport 1201 W. La Veta Ave	Heliport Permit	California Department of Transportation, Division of Aeronautics	No. ORA-057(H)	9/17/2013	N/A

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		Orange, CA 92868-4203					
166.	8.1.171	Edinger Pediatrics, Inc. 9900 Talbert Ave, Suite 201 Fountain Valley, CA 92708	Laboratory License	California Department of Public Health	CLR-00318069	2/13/2023	2/12/2024
167.	8.1.172	Children's Hospital of Orange County Blood Bank Donor Center 1201 W. La Veta Ave. Orange, CA 92868-3874	Blood Establishment Registration and Product Listing for Manufacturers of Blood Products and Licensed Devices	Department of Health and Human Services, U.S. Food and Drug Administration	FEI: 2077856 DUNS: 066158494	12/08/2022	12/31/2023
168.	8.1.173	CHOC Pediatric Subspecialty Faculty 505 S Main St. Suite 550 Orange, CA 92868-4549	Business License Certificate	City of Orange	117855	12/15/2005	11/30/2023
169.	8.1.174	Children's Hospital of Orange County 455 S Main Street Orange, CA 92868	Registration Card	California Department of Housing and Community Development	Decal: CCK1754	5/4/22	5/31/2023
170.	8.1.175	CHOC Children's Hospital 1201 W. La Veta Ave Orange, CA 92868	EPA ID Number	California Department of Toxic Substances Control	EPA ID: CAL000384750	Unclear	N/A
171.	8.1.176	Children's Hospital of Orange County 455 S Main Street Orange, CA 92868	EPA ID Number	California Department of Toxic Substances Control	EPA ID: CAL000182168	6/16/1999	N/A
172.	8.1.177	CHOC Children's Clinical Blood Gas Lab Orange, California Sunil P. Kamath, MD	Certificate of Accreditation	College of American Pathologists	CAP Number: 2340002 AU-ID: 1187878 CLIA Number: 05D0694739	Unclear	7/6/2023
173.	8.1.178	CHOC Children's Hospital Clinical Laboratory Orange, California	Certificate of Accreditation	College of American Pathologists	CAP Number: 8678973 AU ID: 1663682	Unclear	8/27/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
		Aaron f. Sassoon, MD, PHD			CLIA Number: 05D2050461		
174.	8.1.179	Children's Hospital Orange County Hematology Advanced Diagnostics Lab Orange, California Diane J. Nugent, MD	Certificate of Accreditation	College of American Pathologists	CAP Number: 7222524 AU ID: 1543712 CLIA Number: 05D1098339	Unclear	7/6/2023
175.	8.1.180	Children's Hospital of Orange County Metabolic Laboratory Orange, California Jose E. Abdenur, MD, ABMGG	Certificate of Accreditation	College of American Pathologists	CAP Number: 7190394 AU-ID: 1418556 CLIA Number: 05D1033521	Unclear	7/6/2023
176.	8.1.184	Children's Hospital of Orange County	Certificate of Distinction (Pediatric Asthma)	The Joint Commission	ID #9999	3/6/2021	3/6/2023
177.	8.1.185	Children's Hospital of Orange County 1201 W. La Veta Ave Orange, CA 92868-3874	Hospital Accreditation	The Joint Commission	ID #9999	5/1/2021	4/30/2024
178.	8.1.186	Children's Hospital of Orange County Clinic Pharmacy 1201 W. La Veta Ave Orange, CA 92868-3874	Controlled Substance Registration Certificate	Drug Enforcement Administration	BC2805820	7/6/2021	8/31/2024
179.	8.1.187	CHOC Specialty Pharmacy Services 1201 W. La Veta Ave Ste B224 Orange, CA 92868-3874	Controlled Substance Registration Certificate	Drug Enforcement Administration	FC1596280	6/8/2022	8/31/2025
180.	8.1.188	Children's Hospital of Orange County Pharmacy 1201 W. La Veta Ave Orange, CA 92868-4203	Controlled Substance Registration Certificate	Drug Enforcement Administration	BC2940636	7/6/2021	8/31/2024
181.	8.1.189	Children's Health Plan of California 3020 Children's Way, MC 5001	Full Service Health Care Service Plan License	Department of Managed Health Care	File No. 933 0523	11/26/2019	N/A

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		San Diego, CA 92123					
182.	8.1.190	CHOC Medical Group 10602 Chapman Ave Garden Grove, CA 92840	Business License Tax Certificate	City of Garden Grove	310826	Unclear	12/31/2022
183.	8.1.191	CHOC Medical Group 1201 W. La Veta Ave Orange, CA 92868-4203	Business License Certificate	City of Orange	180779	1/2/2016	12/31/2023
184.	8.1.192	CHOC Medical Group 1201 W. La Veta Ave Orange, CA 92868-4203	Fictitious Name Permit	Osteopathic Medical Board of California	FNP2821	9/6/2019	12/31/2023
185.	8.1.193	Orange County Pediatric Radiology Associates 1201 W. La Veta Ave Orange, CA 92868-4203	Business License Certificate	City of Orange	184342	12/10/2016	11/30/2023
186.	8.1.194	CHOC Pediatric Subspecialty Faculty 1201 W. La Veta Ave Orange, CA 92868	Business Tax Certificate	City of Anaheim	BUS2013-02493	Unclear	6/26/2023
187.	8.1.195	CHOC Pediatric Subspecialty Faculty 854 Magnolia Avenue Corona, CA 92879-3109	Business License Certificate	City of Corona	03937875	3/1/2023	2/29/2024
188.	8.1.196	CHOC Pediatric Subspecialty Faculty 455 Main St, Orange CA 92868-3874	Business License Certificate	City of Fountain Valley	00042283	10/1/2022	9/30/2023
189.	8.1.197	Pediatric Subspecialty Faculty Inc. 101 E Valencia Mesa Dr Fullerton, CA	Business Registration Certificate	City of Fullerton	567243	1/1/2022	12/31/2022

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
190.	8.1.198	CHOC Pediatric Subspecialty Faculty 19582 Beach Blvd. Unit 350 Huntington Beach, CA 92648	Business License	City of Huntington Beach	A290996	11/1/2021	10/31/2022
191.	8.1.199	Pediatric Subspecialty Faculty Inc. 1201 W. La Veta Ave Orange, CA 92868-4203	Business License	City of Irvine	99035350	5/24/2022	5/31/2023
192.	8.1.200	Pediatric Subspecialty Faculty Inc. 1201 W. La Veta Ave Orange, CA 92868	Business License	City of Long Beach	Account No. BU21307240	Unclear	12/9/2022
193.	8.1.201	Pediatric Subspecialty Faculty 1201 W. La Veta Ave Orange, CA 92868	Business License Tax Certificate	City of Newport Beach	BT30021317	1/20/2007	2/9/2023
194.	8.1.202	Pediatric Subspecialty Faculty, Inc. 446 Old Newport Blvd. Newport Beach, CA 92660	Business License Tax Certificate	City of Newport Beach	BT30034782	3/1/2011	3/31/2023
195.	8.1.203	Children's Hospital of Orange County DBA/Fictitious Name: Providence Speech and Hearing Center 11360 183 rd Street Cerritos, CA 90703	Business License	City of Cerritos	20492	10/25/2022	10/25/2023
196.	8.1.204	Providence Speech and Hearing Center 17075 Bushard Street Fountain Valley, CA 92708	Business License Certificate	City of Fountain Valley	02902540	2/1/2023	1/31/2024
197.	8.1.205	Providence Speech and Hearing Center 19582 Beach Blvd. Unit 110 Huntington Beach, CA 92648	Business License	City of Huntington Beach	A294363	12/1/2022	11/30/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
198.	8.1.206	Children's Hospital of OC DBA PSHC 520 Superior Ave #190 Newport Beach, CA 92663	Business License Tax Certificate	City of Newport Beach	BT30073564	7/1/2020	7/14/2022
199.	8.1.207	Providence Speech and Hearing Center Children's Hospital of Orange County 170 S Main Street Orange, CA 92868-2801	Business License Certificate	City of Orange	204405	7/1/2020	6/30/2023
200.	8.1.208	Providence Speech and Hearing Center Children's Hospital of Orange County 1301 W Providence Ave Orange, CA 92868-3808	Business License Certificate	City of Orange	203163	3/1/2020	2/28/2023
201.	8.1.210	CHOC Pediatric Subspecialty Faculty Inc. 1798 N Garey Avenue Pomona, CA 91767-2918	Business License	City of Pomona	00133815	6/27/2022	6/30/2023
202.	8.1.211	CHOC Pediatric Subspecialty Faculty Inc. 1770 N Orange Grove Ave 210 Pomona, CA 91766-3027	Business License	City of Pomona	00146833	5/5/2022	3/31/2023
203.	8.1.212	CHOC Pediatric Subspecialty Faculty Inc. 1201 W. La Veta Ave Orange, CA 92868-4203	Business Tax Certificate	City of Riverside	0135170	N/A	2/28/2023
204.	8.1.212	CHOC Children's Specialists 1201 W La Veta Ave Orange, CA 92866-4203	Business Tax Certificate	City of Riverside	1232771	N/A	1/31/2023

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
205.	8.1.213	CHOC Medical Foundation 505 S Main St, Ste 300 Orange, CA 92868-4523	Business License	City of Orange	164897	N/A	7/31/2022
206.	8.1.214	Pediatric Subspecialty Faculty, Inc. 1201 W. La Veta Ave Orange, CA 92868	Business License Tax	City of Seal Beach	14204814	7/1/2022	6/30/2023
207.	8.1.215	CHOC Pediatric Subspecialty Facility 1201 W. La Veta Ave Orange, CA 92868	Business License	City of Whittier	103687	N/A	1/31/2024
208.	8.1.216	CHOC Pediatric Subspecialty Faculty Inc. A Medical Corporation 1201 W. La Veta Ave Orange, CA 92868	Fictitious Name Permit	Medical Board of California	FNP28414	1/5/2001	1/31/2025
209.	8.1.217	Choc Pediatric Subspecialty Facility 18300 US Highway 18 Apple Valley, CA 92307-2255	Business Registration Certificate	Town of Apple Valley	00013144	10/13/2022	10/31/2023
210.	8.1.218	CHOC Children's 1201 W. La Veta Ave Orange, CA 92868	Lanternman-Petris-Short Designation for involuntary detainment, evaluation and treatment of minors	Department of Health Care Services and Orange County Behavioral Health Services	N/A	4/20/2018	N/A
211.	8.1.232	CRC Real Estate Corporation 1120 W La Veta Ave Ste 820 Orange, CA 92868	Conveyance Permit	California Department of Industrial Relations, Division of Occupational Safety and Health	081235	5/17/2023	4/19/2024
212.	8.1.233	CRC Real Estate Corporation 1120 W La Veta Ave Ste 820 Orange, CA 92868	Conveyance Permit	California Department of Industrial Relations, Division of Occupational Safety and Health	081236	10/10/2023	4/19/2024

	VDR	LICENSEE / ADDRESS	LICENSE / ACCREDITATION	ISSUING AGENCY	NUMBER	EFFECTIVE DATE	EXPIRATION DATE
213.	8.1.234	CRC Real Estate Corporation 1120 W La Veta Ave Ste 820 Orange, CA 92868	Conveyance Permit	California Department of Industrial Relations, Division of Occupational Safety and Health	095914	5/23/2023	4/19/2024
214.	8.1.235	CRC Real Estate Corporation 1120 W La Veta Ave Ste 820 Orange, CA 92868	Conveyance Permit	California Department of Industrial Relations, Division of Occupational Safety and Health	079873	10/10/2023	4/19/2024
215.	8.1.236	CRC Real Estate Corporation 1120 W La Veta Ave Ste 820 Orange, CA 92868	Conveyance Permit	California Department of Industrial Relations, Division of Occupational Safety and Health	079874	5/17/2023	4/19/2024

Schedule 6.6

Real Property

(a)

CHC Owned Real Property:

	Address	Parcel Number	Owner
1.	505 S. Main Street, Orange, CA 92868	041-090-45	CRC Real Estate Corporation
2.	507 S. Main Street, Orange, CA 92868	041-090-46	CRC Real Estate Corporation
3.	557 S. Main Street, Orange, CA 92868	041-090-47	Children's Hospital of Orange County
4.	[Address to be confirmed prior to Closing.]	041-090-48	Children's Hospital of Orange County
5.	525 S. Main Street, Orange, CA 92868	041-090-49	Children's Hospital of Orange County
6.	[Address to be confirmed prior to Closing.]	041-090-50	Children's Hospital of Orange County
7.	[Address to be confirmed prior to Closing.]	041-090-51	CRC Real Estate Corporation
8.	455 S. Main Street, Orange, CA 92868	041-091-01 041-091-02 041-091-03	Children's Hospital of Orange County
9.	1201 W. La Veta Avenue, Orange, CA 92868	041-091-04 041-091-05	Children's Hospital of Orange County
10.	1120 W. La Veta Avenue, Orange, CA 92868	390-711-06	CRC Real Estate Corporation
11.	10602 Chapman Avenue, Garden Grove, CA 92840	089-141-59	Children's Hospital of Orange County
12.	3745 W. Chapman Avenue, Orange, CA 92868	137-463-43	CRC Real Estate Corporation
13.	401 S. Sycamore Street, Santa Ana, CA 92701	398-294-24	Children's Hospital of Orange County
14.	1310 W. Stewart Drive, First Floor, Orange, CA 92868	931-234-40 931-234-69	Providence Speech and Hearing Center
15.	1310 W. Stewart Drive, Suite 505, Orange, CA 92868	931-234-40 931-234-69	Children's Hospital of Orange County
16.	Brewster County Parcel, Texas	23237	Children's Hospital of Orange County

CHC Leased Real Property:

	Lease Agreement	Parties	Address
1.	Standard Industrial/Commercial Lease-Net, dated March 28, 2018, as amended by that certain First Amendment to Lease, dated November 27, 2018, that certain Second Amendment to Lease, dated August 21, 2019, that certain Third Amendment to Lease, dated April 14, 2021 and that certain Fourth Amendment to Lease, dated June 17, 2022	CHOC (Lessee) and Orange-Main Medical Partners, LP (Lessor)	170 S. Main Street, Suites 100, 200, 201 and 205, Orange, California 92868
2.	Medical Office Lease, dated September 1, 2009, as amended by that certain First Amendment to Lease Agreement, dated November 2016	CHOC for CHOC Urology and Nephrology Center (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 100, Orange, California 92868
3.	Office Building Lease, dated April 19, 2005, as amended by that certain First Amendment to Standard Office Lease, dated November 1, 2017	CHOC for CHOC Apheresis Administration (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 185, Orange, California 92868
4.	Medical Office Lease, dated June 13, 2012 as amended by that certain First Amendment to Medical Office Lease, dated July 25, 2019 and that certain Second Amendment to Medical Office Lease, dated February 28, 2022	CHOC for CHOC Children's Specialists/General Surgery (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 225 and Suite 210, Orange, California 92868
5.	Office Building Lease, dated November 1, 2005 as amended by that certain First Amendment to Standard Office Lease, dated January 1, 2015 and that certain Second Amendment to Standard Office Lease, dated June 1, 2018	CHOC for CHOC Administration (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 300, Orange, California 92868
6.	Medical Office Lease, dated June 1, 2014 as amended by that certain First Amendment to Lease Agreement, dated September 25, 2019	CHOC dba CHOC Children's Neuroscience Center (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 350 and 300, Orange, California 92868
7.	Standard Office Lease, dated April 19, 2005, as amended by that certain First Amendment to Standard Office Lease, dated October 31, 2015, that certain Second Amendment to Standard Office Lease, dated February 8, 2021, that certain Third Amendment to Standard Office Lease, dated November 1, 2021 and that certain Fourth Amendment to Standard Office Lease, dated July 1, 2022	CHOC dba CHOC Human Resources/Payroll (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 400, Orange, California 92868
8.	Office Lease, dated November 1, 2021	CHOC dba CHOC Planning, Design & Construction (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 450, Orange, California 92868

	Lease Agreement	Parties	Address
9.	Office Lease, dated July 1, 2022	CHOC dba CHOC Associate Health (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 500, Orange, California 92868
10.	Office Building Lease, dated April 19, 2005 as amended by that certain First Amendment to Standard Office Lease, dated October 31, 2015 and that certain Second Amendment to Standard Office Lease, dated February 8, 2021, that certain Third Amendment to Standard Office Lease, dated November 8, 2021 and that certain Fourth Amendment to Standard Office Lease, dated July 1, 2022	CHOC for CHOC Information Systems Department (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 500, Orange, California 92868
11.	Office Building Lease, dated April 22, 2005, as amended by that certain First Amendment, dated April 1, 2012, that certain Second Amendment, dated October 21, 2015, that certain Third Amendment, dated February 8, 2021 and that certain Fourth Amendment, dated November 1, 2021	CHOC dba CHOC Specialists, formerly known as CHOC Children's Specialists as successor-in-interest to Pediatric Subspecialty Faculty, Inc. (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 550, Orange, California 92868
12.	Office Lease, dated March 27, 2020	CHOC dba CHOC Heart Center (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 600, Orange, California 92868
13.	Office Lease, dated May 16, 2019, as amended by that certain First Amendment to Standard Office Lease, dated February 8, 2021, that certain Second Amendment to Standard Office Lease, dated November 10, 2021 and that certain Third Amendment to Standard Office Lease, dated April 1, 2023	CHOC dba CHOC Pharmacy and Inpatient Rehab Staff (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 800, Orange, California 92868
14.	Office Lease, dated September 18, 2015, as amended by that certain First Amendment to Standard Office Lease, dated January 1, 2023	CHOC Children's Hospital dba CHOC Children's Case Management (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suites 810 and 830 Orange, California 92868
15.	Office Building Lease, dated October 1, 2008 as amended by that certain First Amendment to Standard Office Lease, dated September 30, 2013 and that certain Second Amendment to Standard Office Lease, dated December 1, 2018	CHOC for CHOC Quality Assurance (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 950, Orange, California 92868
16.	Office Lease, dated September 4, 2020	CHOC Children's Hospital dba CHOC Research Institute (Tenant) and CRC Real	505 S. Main Street, Suite 1000, Orange, California 92868

	Lease Agreement	Parties	Address
		Estate Corporation (Landlord)	
17.	Standard Office Lease, dated November 27, 2008, as amended by that certain First Amendment to Standard Office Lease, dated March 1, 2009, that certain Assignment and Assumption, dated October 31, 2011, that certain Second Amendment to Standard Office Lease, dated January 31, 2012, that certain Third Amendment to Standard Office Lease, dated January 31, 2017, that certain Fourth Amendment to Standard Office Lease, dated October 26, 2021 and that certain Fifth Amendment to Standard Office Lease, dated July 1, 2022	CHOC dba CHOC Patient Access Center, as successor-in-interest to Pediatric Subspecialty Faculty, Inc. (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suites 1017, 1025, 1030 and 1040, Orange, California 92868
18.	Office Lease, dated May 13, 2021, as amended by that certain First Amendment to Medical Office Lease dated August 23, 2023	CHOC Children's Hospital, dba CHOC Children's Specialists (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 1125, Orange, California 92868
19.	Standard Office Lease, dated February 3, 2009, as amended by that certain First Amendment to Standard Office Lease, dated April 1, 2012, that certain Second Amendment to Standard Office Lease, dated July 17, 2012, that certain Third Amendment to Standard Office Lease, dated August 29, 2015 and that certain Fourth Amendment to Standard Office Lease, dated August 1, 2022	CHOC dba CHOC Children's Specialist (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suites 1200 and 1250, Orange, California 92868
20.	Standard Office Lease, dated February 3, 2009, as amended by that certain Assignment and Assumption, dated October 31, 2011 and that certain First Amendment to Standard Office Lease, dated April 1, 2012	CHOC dba CHOC Medical Foundation, as successor-in-interest to Pediatric Subspecialty Faculty, Inc. (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 1200, Orange, California 92868
21.	Office Building Lease, dated April 19, 2005, as amended by that certain First Amendment to Standard Office Lease, dated January 25, 2016, that certain Second Amendment to Standard Office Lease, dated February 8, 2021 and that certain Third Amendment to Standard Office Lease, dated November 8, 2021	CHOC Children's for CHOC Business Office/Scheduling successor-in-interest to CHOC Children's for CHOC Business Office/Scheduling (Tenant) and CRC Real Estate Corporation (Landlord)	505 S. Main Street, Suite 6000 (the "Annex"), Orange, California 92868
22.	Lease Agreement, dated February 22, 2021	CHOC (Tenant) and Orange County Realty Investors LLC (Landlord)	530 S. Main Street, Suite 100, Orange, California 92868
23.	Medical Office Lease, dated May 1, 2009, as amended by that certain First Amendment, dated	CHOC dba CHOC Medical Foundation, as	725 W. La Veta Avenue, Suite 100

	Lease Agreement	Parties	Address
	April 16, 2013, that certain Second Amendment, dated April 27, 2018, that certain Third Amendment, dated April 21, 2020 and that certain Assignment and Assumption of Agreement, dated May 1, 2012	successor-in-interest to Pediatric Subspecialty Faculty, Inc. (Tenant) and 725 West La Veta Avenue, LP, as successor-in-interest to Batavia Woods Associates, LLC (Landlord)	and a portion of Suite 90, Orange, California 92868
24.	Office Lease, dated April 25, 2017	CHOC dba CHOC Children's Specialists, Division of Ophthalmology (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suite 100, Orange, California
25.	Office Lease, dated February 19, 2016, as amended by that certain First Amendment to Office Lease, dated July 1, 2023	CHOC dba CHOC Medical Group (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suite 125, Orange, California
26.	Office Building Lease, dated January 4, 2002, as amended by that certain First Amendment to Office Building Lease, dated January 4, 2004, that certain Fourth Amendment to Office Building Lease, dated June 29, 2009 and that certain Fifth Amendment to Office Building Lease, dated November 28, 2012	CHOC for CHOC Business Development (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suites 400, 410 and 420, Orange, California 92868
27.	Office Lease, dated February 26, 2009, as amended by that certain First Amendment to Lease, dated December 12, 2012, that certain Second Amendment to Lease, dated August 18, 2015, that certain Third Amendment to Lease, dated March 30, 2017 and that certain Fourth Amendment to Lease dated March 30, 2018	CHOC for CHOC Psychology (Tenant) and CRC Real Estate Corporation as successor-in-interest to 4128 Wilshire LLC (Landlord)	1120 W. La Veta Avenue, Suites 410, 470, 480 and 660, Orange, California
28.	Office Lease, dated December 1, 2016 as amended by that certain First Amendment to Office Lease, dated March 28, 2019 and that certain Second Amendment to Office Lease, dated January 1, 2022	CHOC dba CHOC Health Alliance (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suites 450 and 420, Orange, California
29.	Office Lease, dated May 11, 2017 as amended by that certain Amendment No. 1 to the Office Lease, dated September 19, 2018	CHOC dba CHOC Foundation (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suite 500, Orange, California
30.	Office Lease, dated November 1, 2022	CHOC dba CHOC Psychology (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suite 660, Orange, California
31.	Office Lease, dated April 29, 2021	CHOC dba CHOC Children's Specialists Psychiatric Division (Tenant) and CRC Real	1120 W. La Veta Avenue, Suite 830 Orange, California 92868

	Lease Agreement	Parties	Address
		Estate Corporation (Landlord)	
32.	Office Lease, dated December 27, 2016	CHOC dba CHOC Institutes (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suite 850 Orange, California 92868
33.	Office Lease, dated March 31, 2017 as amended by that certain First Amendment to Office Lease, dated July 1, 2022	CHOC dba Medical Innovation and Intelligence Institute (Tenant) and CRC Real Estate Corporation (Landlord)	1120 W. La Veta Avenue, Suite 860 Orange, California 92868
34.	Standard Multi-Tenant Office Lease - Net, dated April 1, 2020, as amended by that certain First Amendment to Lease, dated April 12, 2021	CHOC dba CHOC Orange Clinic (Lessee) and CRC Real Estate Corporation (Lessor)	3745 W. Chapman Avenue, Suite 100, Orange, California 92868
35.	Standard Multi-Tenant Office Lease - Net, dated March 30, 2020 as amended by that certain First Amendment to Lease, dated August 2, 2021	CHOC dba CHOC Outpatient Rehabilitation (Lessee) and CRC Real Estate Corporation (Lessor)	3745 W. Chapman Avenue, Suite 200, Orange, California 92868
36.	Triple Net Medical Office Lease, dated May 23, 2023	CHOC dba CHOC Primary Care (Tenant) and Aliso Partners, LLC (Landlord)	24502 Pacific Park Drive, Suites 103, 104 and 105, Aliso Viejo, California
37.	Lease, dated January 1, 2013 as amended by that certain Amendment No. 1 to Lease, dated December 21, 2020 and that certain First Amendment to Lease, dated May 1, 2023	CHOC (Tenant) and St. Joseph Hospital of Orange (Landlord)	1100 W. Stewart Drive, space on fourth floor, Orange, California 92868
38.	Sublease, dated April 1, 2020 as amended by that certain Sublease Renewal Notice	CHOC dba CHOC Children's Primary Care Network (Subtenant) and Edinger Medical Group, Inc. (Sublandlord)	18682 Beach Boulevard, Suite 160, Huntington Beach, California 92648
39.	Medical Office Lease, dated June 26, 2015	Providence Speech and Hearing Center, Inc. (Tenant) and Hoag Memorial Hospital Presbyterian (Landlord)	19582 Beach Boulevard, Suite 110 Huntington Beach, California 92648
40.	Medical Office Lease, dated August 25, 2014, as amended by that certain First Amendment to Lease, dated December 10, 2019 and that certain Second Amendment to Lease, not dated	CHOC dba CHOC Children's Specialists (Tenant) and Hoag Memorial Hospital Presbyterian (Landlord)	19582 Beach Boulevard, Suite 380, Huntington Beach, California 92648
41.	Office Building Lease, dated June 2023	CHOC (Tenant) and HSRE Irvine MOB, LLC (Landlord)	114 Pacifica, Suite 260, Irvine, California 92618

	Lease Agreement	Parties	Address
42.	Medical Office Building Lease, dated February 27, 2023	CHOC (Tenant) and Healthcare Realty Services, LLC as agent for HTA-Mission MOB Tower, LLC (Landlord)	26732 Crown Valley Parkway, Suite 501 Mission Viejo, California 92691
43.	Lease, dated July 1, 2003	CHOC (Tenant) and Boys and Girls Club of Santa Ana (Landlord)	1000 W. Highland Street, Santa Ana, California 92703
44.	Lease, dated January 31, 2012, as amended by that certain First Amendment to Lease, dated September 15, 2016, that certain Second Amendment to Lease, dated December 19, 2019, that certain Third Amendment to Lease, dated December 31, 2020 and that certain Fourth Amendment to Lease, dated March 7, 2022	Children's Hospital of Orange County DBA Providence Speech and Hearing Center (Tenant) and Green Cerritos Investment, LLC, as successor-in-interest to Rodney A. Chase and Associates (Landlord)	11352 and 11360 East 183 rd Street, Cerritos, California 90703
45.	Standard Multi-Tenant Office Lease Gross, dated April 26, 2005, as amended by that certain First Amendment to Lease, dated March 6, 2009, that certain Second Amendment to Lease, dated January 11, 2013, that certain Third Amendment to Lease, dated February 24, 2016, that certain Fourth Amendment to Lease, dated March 6, 2019 and that certain Fifth Amendment to Lease, dated April 1, 2022	CHOC, as successor-in-interest to Newport Language, Speech & Audiology Center, Inc. and CK Highpark, LLC, as successor-in-interest to Madero, LLC (Landlord)	23361 Madero, Suite 150 and 200, Mission Viejo, California 92691
47.	Shopping Center Lease, dated October 24, 2013, as amended by that certain First Amendment to Lease, dated March 28, 2014, that certain Second Amendment to Lease, dated January 11, 2013 and that certain Third Amendment to Lease	Providence Speech and Hearing Center (Lessee) and R & R Management, LLC (Lessor)	17075 Bushard Street Fountain Valley, California 92708
48.	Standard Multi-Tenant Office Lease-Net, dated May 26, 2017, as amended by that certain First Amendment to Standard Multi-Tenant Office Lease-Net, dated June 7, 2022	CHOC (Lessee) and Gibson-SCMP LLC, Middlemas-SCMP LLC and Benson-SCMP LLC (Lessor)	1300 Avenida Vista Hermosa, Suite 200, San Clemente, California 92673
49.	Standard Multi-Tenant Office Lease-Gross, dated November 17, 2017	CHOC (Lessee) and Employees Retirement Plan of Consolidated Electrical Distributors (Lessor)	25909 Pala, Suite 170 Mission Viejo, California 92691
50.	Standard Industrial/Commercial Multi-Tenant Lease-Net, dated March 7, 2011, as amended by that certain First Amendment to Lease, dated April 1, 2011, that certain Second Amendment to Lease, dated July 9, 2015 and that certain Third Amendment to Lease, dated March 8, 2021	CHOC dba CHOC Children's Network as successor-in-interest to Seaview Pediatrics Medical Associates, Inc. (Lessee) and Villa Vista Property Holdings, LLC as successor in interest to	15785 Laguna Canyon Road, Unit 120, Irvine, California 92618

	Lease Agreement	Parties	Address
		120 Canyon Medical, LLC (Lessor)	
51.	Standard Multi-Tenant Office Lease-Net, dated January 28, 2015	CHOC dba CHOC Children's Specialists (Lessee) and Universal Properties LAP Two, LLC (Lessor)	26691 Plaza Drive, Suite 130, Mission Viejo, California 92691
52.	Office Building Lease, dated April 29, 2008, as amended by that certain First Amendment to Office Lease, dated April 1, 2014 and that certain Second Amendment to Office Lease, dated February 18, 2019	CHOC (Tenant) and Newport Healthcare Center, LLC (Landlord)	500 Superior Avenue, Suite 140, Newport Beach, California
53.	Office Building Lease, dated November 18, 2011, as amended by that certain First Amendment to Office Lease, dated July 26, 2017, that certain Second Amendment to Office Lease, dated April 26, 2022 and that certain Third Amendment to Office Lease, dated January 22, 2023	CHOC as successor-in-interest to Providence Speech and Hearing Center (Tenant) and Newport Healthcare Center, LLC (Landlord)	520 Superior Avenue, Suite 190, Newport Beach, California
54.	Standard Multi-Tenant Office Lease-Gross, dated July 25, 2013, as amended by that certain First Amendment to Lease, dated July 25, 2013	CHOC dba CHOC Children's (Lessee) and Recodo Corona Plaza No. 1 L.P. (Lessor)	854 Magnolia Avenue, Suite 101 Corona, California 92879
55.	Standard Net Lease, dated June 1, 2023	Children's Hospital of Orange County (Lessee) and The Regents of the University of California (Lessor)	19200 Jamboree Road, Irvine, CA Second Floor
56.	Standard Multi-Tenant Office Lease – Net, dated September 18, 2023	El Toro Professionals, LLC (Lessor) and Children's Hospital of Orange County (Lessee)	23321 El Toro Rd., Lake Forest, CA 92630 (Suite H)
57.	Standard Multi-Tenant Office Lease – Net, dated September 18, 2023	El Toro Professionals, LLC (Lessor) and Children's Hospital of Orange County (Lessee)	23321 El Toro Rd., Lake Forest, CA 92630 (Suite E, F, G)
58.	Office Lease, dated January 1, 2023, as amended by that certain First Amendment to Office Lease, dated July 1, 2023	CRC Real Estate Corporation (Landlord) and Children's Hospital of Orange County, dba CHOC Marketing and Business Development (Tenant)	1120 W. La Veta Avenue, Suite 770, Orange, CA
59.	Long-Term Lease, dated January 1, 1993, as amended by that certain Amendment No. 1 to Long-Term Lease, dated January 1, 1993, that certain Amendment No. 2 to Long-Term Lease, dated April 3, 2000, that certain Amendment No. 3 to Long-Term Lease, dated December 2011, that certain Amendment No. 4 to Long-Term Lease, dated April 27, 2012, that certain Amendment No. 5 to Long-	Mission Hospital regional Medical Center, Inc. as successor-in-interest to Mission Viejo Medical Development Company (Landlord) and Children's Hospital at Mission (Tenant)	27700 Medical Center Road, Fifth Floor, Mission Viejo, CA 92691

	Lease Agreement	Parties	Address
	Term Lease, dated July 1, 2012, that certain Amendment No. 6 to Long-Term Lease, dated August 14, 2018 and that certain Amendment No. 7 to Long-Term Lease, dated January 1, 2023		
60.	Lease Agreement	Agio Real Estate, Inc. (Landlord) and CS Neonatal (Tenant)	16061 Wato Road, Unit 6, Apple Valley, CA 92307
61.	Office Space Lease, dated December 7, 2006, as amended by that certain First Amendment to Lease, dated November 2, 2018 and that certain Second Amendment to Lease, dated August 3, 2020	NHP/PMB Orange, LLC as successor-in-interest to PDP Orange, LLC (Landlord) and Children's Hospital of Orange County, dba CHOC Children's Specialists as successor-in-interest to Michael G. Muhonen, M.D.	1010 W. La Veta Avenue, Suite 710 Orange, California 92868
62.	Time Share Agreement, dated June 1, 2012	Sea View Pediatrics (Landlord) and Children's Hospital of Orange County, dba CHOC Children's Specialists (Tenant)	23521 Paseo De Valencia, Suite 200, Laguna Hills, CA 92653
63.	Multi-Tenant Triple Net Office Lease, dated July 1, 2008, as amended by that certain First Amendment to Multi-Tenant Office Lease, dated September 1, 2018	Ladera UAC Office 800 & 111, LLC as successor-in-interest to Ladera UAC Office, LLC (Landlord) and Children's Hospital of Orange County dba CHOC Children's Network as successor-in-interest to South Orange County Pediatric Associates, Inc. (Tenant)	777 Corporate Drive, Suite 250 Ladera Ranch, CA 92694
64.	Agreement to Lease Property, dated July 1, 2014	Thomas Management, LLC (Lessor) and Southern Orange County Pediatric Associates, Inc. (Tenant)	30212 Tomas, Suite 220 and 230, Rancho Santa Margarita, CA 92688
65.	Standard Form Office Lease – Gross (Modified Gross), dated October 26, 2015, as amended by that certain First Amendment to Standard Form Office Lease – Gross [Modified Gross], dated March 31, 2016	Excelsior Associates, L.P. (Landlord) and Children's Hospital of Orange County, dba CHOC Children's Network as successor-in-interest to Pediatric and Adult Medicine, Inc.	18102 Irvine Blvd., Suites 103, 104 and 105, Tustin, CA 92780
66.	Standard Industrial/Commercial Multi-Tenant Lease – Net, dated January 7, 2022	Irvine Medical Holdings, LP (Lessor) and	15825 Laguna Canyon Road, Suite

	Lease Agreement	Parties	Address
		Children's Hospital of Orange County, dba Premier Pediatrics – CHOC Primary Care Network and/or dba Premier Pediatrics – CHOC Primary Care Practice	102, Irvine, CA 92868
67.	Commercial Lease Agreement, dated April 28, 2002 and Addendum to Lease, dated January 1, 2022	Sunwood Properties, LLC as successor-in-interest to Iseri, Jenkins, Kanow (Landlord) and Children's Hospital of Orange County, dba Orange Doctors of Kids and Teens – CHOC Primary Care Network as successor-in-interest to Doctors of Kids and Teens (Tenant)	1310 W. Stewart Drive, Suite 506 Orange, CA 92868
68.	Sublease, dated April 1, 2020	Edinger Medical Group, Inc. (Sublandlord) and Children's Hospital of Orange County dba CHOC Children's Primary Care Network (Subtenant)	9900 Talbert Avenue, Suite 201 Fountain Valley, CA 92708
69.	Month-to-Month Occupancy, Rental Agreement dated May 7, 2021	Pouch Self Storage (Owner) and Edinger Pediatrics/CHOC Children's (Tenant)	11345 Slater Avenue, Unit 0871 Fountain Valley, CA 92708
70.	Medical Office Lease, dated April 15, 1997, as amended by that certain First Amendment to Medical Office Lease, dated September 17, 2003, that certain Second Amendment to Medical Office Lease, dated August 29, 2007, that certain Third Amendment to Medical Office Lease, dated February 11, 2013, that certain Fourth Amendment to Medical Office Lease, dated October 7, 2016, that certain Fifth Amendment to Medical Office Lease, dated October 17, 2019, and that certain Sixth Amendment to Medical Office Lease, dated June 17, 2020	Grove Medical Arts Associates, LLC as successor-in-interest to SPV Real Estate Partners No. 1, L.P. (Landlord) and Children's Hospital of Orange County, dba CHOC Children's as successor-in-interest to Robert A. Kaplan, M.D./Joel J. Widelitz, M.D. (Tenant)	10861 Cherry Street, Suite 305, Los Alamitos, CA 90720
71.	Standard Industrial/Commercial Single-Tenant Lease – Gross, dated March 11, 2009, as amended by that certain First Extension of Lease, dated December 11, 2013, and that certain Second Extension of Lease dated January 25, 2017	810 W. Collins, LLC as successor-in-interest to Antoyan Investments (Lessor) and Children's Hospital of Orange County (Lessee)	810 W. Collins Ave. Orange, CA 92868

	Lease Agreement	Parties	Address
72.	License Agreement, dated January 1, 2022	Children's Hospital of Orange County, dba CHOC Children's Specialists (Licensee) and Sidney Jay Weiss, M.D., Inc., dba Saddleback Eye Medical Associates (Licensor)	26691 Plaza Drive, Suite 250 Mission Viejo, CA 92691
73.	Premises Use Agreement, dated November 1, 2016, as amended by that certain Amendment No. 1 to the Premises Use Agreement, dated November 1, 2017	NOSA Properties, LLC (Lessor) and Shohet Ear Associates Medical Group, Inc. and Children's Hospital of Orange County, dba Children's Specialists (Lessee)	770 Pacific Coast Highway, Suite 100 Seal Beach, CA 90740
74.	Premises Use Agreement, dated January 15, 2013, as amended by that certain Amendment No. 1, dated February 1, 2014, that certain Amendment No. 2, dated February 1, 2015, that certain Amendment No. 3, dated February 1, 2016, that certain Amendment No. 4, dated February 1, 2017 and that certain Amendment No. 5, dated February 1, 2018	Shohet Enterprises, LLC (Lessor) and Shohet Ear Associates Medical Group, Inc and Children's Hospital of Orange County, dba CHOC Children's Specialists (Lessee)	446 Old Newport Blvd. Newport Beach, CA 92663
75.	License Agreement, dated August 30, 2016, as amended by that certain First Amendment, dated August 30, 2017, that certain Second Amendment, dated August 30, 2018, that certain Third Amendment, dated , that certain Fourth Amendment, dated August 30, 2019, that certain Fifth Amendment, dated August 30, 2020, and that certain Sixth Amendment, dated August 30, 2022	The Regents of the University of California (Licensor) and Children's Hospital of Orange County, dba CHOC Children's Specialist	250 E. Yale Loop, Suite 200 Irvine, CA
76.	Standard Industrial/Commercial Multi-Tenant Lease – Net, dated October 27, 2014	Journey Medical Partners, LLC (Lessor) and Sea View Pediatric Medical Associates, Inc. (Lessee)	2 Journey, Suite 100 Aliso Viejo, CA 92656
77.	Standard Multi-Tenant Office Lease – Net, dated December 4, 2013	1031 Avenida Pico, LLC (Lessor) and Sea View Pediatric Medical Associates, Inc. (Lessee)	1031 Avenida Pico, Suite 106 San Clemente, CA 92673
78.	Standard Industrial/Commercial Single-Tenant Lease – Net, dated January 15, 2024	Pomona Pediatrics Real Estate Partnership (Lessor) and Lauppe, Hollenberg, Agrawal, Knoll, Warren and Hong, dba Pomona Pediatrics (Lessee)	250 W. Bonita Avenue, Suite 200 Pomona, CA 91767

	Lease Agreement	Parties	Address
79.	Storage Lease, dated November 18, 2017	Extra Space Management, Inc. (Operator) and Anjali Monga MD, Inc. (Customer)	15875 Laguna Canyon Road, Unit K427 Irvine, CA 92618
80.	Office Building Lease, dated November 2, 2004, as amended by that certain Addendum to Lease, that certain Addendum #2, dated April 25, 2005, that certain Addendum #3, dated March 2, 2011, that certain Lease Renewal, dated August 25, 2015 and that certain Fifth Amendment to Lease, dated February 2, 2021	Healthcare Realty Services Incorporated as agent for HR of California, Inc. as successor-in-interest to Trico Sycamore Plaza, L.P. (Landlord) and Angela Allevato, M.D., Inc. (Tenant)	431 S. Batavia Street, Suite 203 Orange, CA 92868
81.	Lease Agreement, dated February 2020, as amended by that certain First Renewal, dated January 1, 2022, that certain Second Renewal, dated January 1, 2023, and that certain Third Renewal, dated January 1, 2024	Sisters of St. Joseph of Orange (Landlord) and Children's Hospital of Orange County (Tenant)	480 S. Batavia Street, Auditorium, Orange, CA 92868

(b) None.

(d)

- Construction related to Bill Holmes Tower, North Tower, Southwest Tower and garage expansion projects
- Construction related to the Jamboree space at 19200 Jamboree Road, Irvine, CA Second Floor and CRC Commerce Building, 1st Floor Urgent Care (both spaces are to be hospital licensed space, with planned openings in March/April 2024)
- Construction related to the following spaces – awaiting city approval for construction and/or occupancy
 - Centrum 2nd Floor admin space
 - Commerce Building 11th floor Physician office expansion and 5th floor PADRE office
 - Primary Care SOCPA Irvine Office
 - OSO Peds Office in Laguna Niguel
 - Mental health space under design for CRC Centrum Building, 4th floor

(e) Pursuant to Section 2.2.1 of that certain Medical Office Lease, dated June 6, 2014, as amended, by and between CRC Real Estate Corporation and Medical Facilities Management, LLC, for the premises at 1120 W. La Veta Avenue, Suites 300 and 840, Orange, CA 92868, Medical Facilities Management, LLC has an option to renew the lease for an additional 10-year term by providing notice to CRC Real Estate Corporation no more than 18 months, nor less than 12 months, prior to the expiration of the Lease Term.

Schedule 6.7

Environmental Matters

None.

Schedule 6.8

Employment Matters

(a) None.

(b)

1. Cecilia De La Pena v. Children's Hospital of Orange County (Case No. 30/2018/01014749-CU-OE-CXC, Orange County)
2. Joanna Hotagua v. Children's Hospital of Orange County (Case No. 30-2021-01232190-CU-OE-CXC, Orange County)
3. Ruben Vergara v. Children's Hospital of Orange County (Case No. 30-2020-01155679-CU-OE-CXC, Orange County)
4. Sulynn Means v. Children's Hospital of Orange County (Case No. 30-2022-01245628-CU-OE-CJC, Orange County)
5. Jessie Nguyen v. Children's Hospital of Orange County (Case No. 30-2023-01299735-CU-OE-CXC, Orange County)
6. Carla Turner v. Children's Hospital of Orange County (Case No. 30-2020-01170202-CU-WT-CJC, Orange County)

Schedule 6.9

Employee Benefit Plans

(a)

1. Children's Hospital of Orange County Flexible Benefit Plan
2. Children's Hospital of Orange County Employee Welfare Benefits Plan
3. Children's Hospital of Orange County Post-Retirement Benefits
4. Hartford Life and Accident Insurance provides the following plans to employees of Children's Hospital of Orange County, Participating Employer for the Trustees of the Children's Hospital Association and Affiliated Organizations Trust:
 - a. Group Basic Term Life, Supplemental Dependent Life, Supplemental Term Life, Basic Accidental Death and Dismemberment Plan
 - b. Group Long Term Disability Plan
 - c. Group Short Term Disability Plan
5. Health Equity provides the following benefits:
 - a. Dependent Care Flexible Spending Account
 - b. Flexible Spending Account
 - c. Health Savings Account
6. Metropolitan Life Insurance Company provides the following plans to employees of Children's Hospital of Orange County:
 - a. Group Accident Insurance
 - b. Critical Illness Insurance
 - c. Specified Disease Insurance
7. VSP provides a vision base plan and buy-up plan to employees of Children's Hospital of Orange County.
8. Cigna Health and Life Insurance Company offers health plans to employees of Children's Hospital of Orange County
9. Delta Dental offers dental plans to employees of Children's Hospital of Orange County
10. Management Performance Plan for Children's Healthcare of California
11. Management Performance Plan for CHOC Foundation
12. Management Performance Plan for CHOC Children's Hospital and CHOC Children's at Mission Hospital
13. Children's Hospital of Orange County Supplemental Executive Retirement Plan
14. Children's Hospital of Orange County Retirement Accumulation Plan
15. Children's Hospital of Orange County 457(b) Deferred Compensation Plan
16. Employee benefits offered to members of CHC Entity Management
17. Severance agreement between CHC and Chief Executive Officer
18. Severance agreement between CHC and Chief Financial Officer
19. CHOC Executive Severance Policy, effective June 1, 2019
20. Executive Life, Long-Term Disability and Short-Term Disability benefits

(b) None.

(d) None.

Schedule 6.10

Litigation

1. Schedule 6.8(b) of the Disclosure Schedules is incorporated herein by reference.
2. Chloe Barriente-Rivas v. Children's Hospital of Orange County (Case No. 30-2023-01314372-CU-MM-NJC, Orange County)
3. B.M., a minor, by and through his Guardian ad Litem, Tabitha Maciele v. Children's Healthcare of California, et al. (Case No. 30-2022-01244684-CU-MM-NJC, Orange County)
4. Western Pump, Inc. v. Children's Hospital of Orange County (Case No. 30-2019-01119398-CU-PO-CJC, Orange County)
5. Eugene Yin v. Children's Hospital of Orange County (Case No. 30-2023-01313021-CU-MM-CJC, Orange County)
6. Arjun Kumar, a minor, by and through his Guardian Ad Litem Pavan Kumar v. Children's Hospital of Orange County, Providence St. Joseph Hospital Orange, Pantea Mozayeni, M.D., and DOES 1-250, inclusive (Case No. 30-2023-01361438-CU-MM-CJC, Orange County)
7. Veronica Toro Servin, individually and as successor-in-interest for Crystal Rodriguez v. Children's Hospital of Orange County; Troy Reyna, M.D.; and DOES 1 -100, inclusive (Case No. 30-2023-01334669-CU-MM-NJC, Orange County)
8. Walid Alarja v. Children's Hospital of Orange County (Case No. 30-2023-01361425-CU-PO-CJC, Orange County)
9. Jeff Majdali v. Children's Hospital of Orange County (US District Court for the Central District of California, Civil Action No. 8:23-CV-01813-JWH (DFMx))

Schedule 6.12(b)

Certain Affiliations

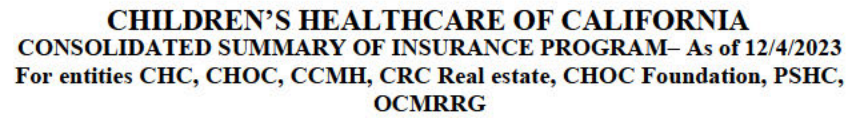
1. Christine Bixby, a member of the CHOC Foundation Board of Directors, is a member of Pediatric Subspecialty Faculty Inc. (PSF), a medical group which practices at CHOC. Bixby receives compensation through PSF.
2. Michele Cortes, a member of the CHOC Foundation Board of Directors, is the CFO of Vincor Construction Inc. (VCI) and her husband is the President of VCI. VCI has been awarded a project at CHOC in the past year and may bid on other projects in the future.
3. Jason Knight, a member of the CHOC Foundation Board of Directors, is a member of Pediatric Subspecialty Faculty Inc. (PSF), a medical group which practices at CHOC. Knight receives compensation through PSF.
4. Joe Kiani, a member of the CHC Board of Directors, is a stockholder, employee and board member of Masimo Corporation, a vendor of CHOC.
5. Jasjit Singh, a member of the CHC Board of Directors, is a member of Pediatric Subspecialty Faculty Inc. (PSF), a medical group which practices at CHOC. Singh receives compensation through PSF. Her husband, Gurpreet Ahuja, is also a shareholder and board member of PSF.
6. Annika Chase, a member of the CHOC Foundation Board of Directors, is a shareholder of The Walt Disney Company and serves on the Disneyland Resort's Steering Committee. Disneyland Resort is a CHOC donor.
7. Ken Potrock, a member of the CHC and CHOC at Mission Boards of Directors, is an employee of the Disneyland Resort, which is a CHOC donor.
8. Thomas Mohr, a Children's Health Plan of California committee member, is an owner of Children's Primary Care Medical Group, which contracts with Children's Health Plan of California through Children's Physicians Medical Group.

Schedule 6.14

Insurance

- (a) See Attachments to Schedule 6.14.
- (b) None.

Exhibit	Name of Insurance Carrier	Type of Insurance	Named Insured	Effective Date		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		

[illegible]



CHILDREN'S HEALTHCARE OF CALIFORNIA



Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]		
		[REDACTED]		
		[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]		
		[REDACTED]		
		[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	

Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

[illegible]

Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
		[REDACTED]		
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

Carrier	Policy No.	Type of Coverage	Policy Period	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]		[REDACTED]	[REDACTED]	
		[REDACTED]		

Schedule 6.17

CHC Tax-Exempt Bonds

1. \$88,390,000 California Health Facilities Financing Authority Revenue Bonds (Children's Hospital of Orange County), Series 2019A
2. \$96,025,000 California Health Facilities Financing Authority Revenue Bonds (Children's Hospital of Orange County), Series 2021A
3. \$83,330,000 California Health Facilities Financing Authority Revenue Bonds (Children's Hospital of Orange County), Series 2021B

Schedule 7.5(a)

CHC Excepted Entities

Providence Speech and Hearing Center

Newport Healthcare Center, LLC

Exhibit A
CHC Capital Plan

CHC Capital Plan		Dollars in Thousands
Enterprise Master Plan Phase 1 - BHT Expansion and SouthWest Tower	\$	711,000
Enterprise Master Plan Phase 2 - West Tower		571,000
Strategic Initiatives		141,500
CHC Capital Plan:		<u>\$1,423,500</u>

Exhibit B

CHC Plan of Finance

CHC Plan of Finance	Dollars in Thousands
Proceeds from new Debt Issuance	\$ 345,000
Operating Cash Flows, Grants & Investment Returns	784,774
Philanthropy ¹	160,000
Proposition 4 Funds	133,726
CHC Plan of Finance:	<u><u>\$ 1,423,500</u></u>

¹ Phase 1 is \$96M and Phase 2 is \$64M.

Exhibit C

RCHHC Capital Plan

RCHHC Capital Plan		Dollars in Thousands
Enterprise Master Plan Phase 1 - Tower and Enabling Projects		1,605,077
Enterprise Master Plan Phase 1 - Mental/Behavioral Health Building		175,800
Strategic Initiatives		123,879
Enterprise Master Plan + Strategic Initiatives		1,904,756

Exhibit D

RCHHC Plan of Finance

Projected Capital Plan Funding Sources (2023-2032)	Dollars in Thousands
Proceeds from completed 2021 Debt Issuance	211,000
Operating Cash Flows, Endowment & Investment Portfolio Returns	1,388,756
Philanthropy	170,000
Proposition 4 Funds	135,000
Total Projected 2024-2031 Capital Plan Funding Sources	1,904,756

Exhibit E

System Conversion Costs

System Conversions:

- Electronic Health Record (EHR), including related systems required for EHR functionality and system-wide integration
- Enterprise Resource Planning (ERP) (human resources, supply chain, procurement, finance), including related systems required for system-wide integration

The cost of the system conversions is estimated to be Two Hundred Million Dollars (\$200,000,000). A detailed plan for the system conversions will be developed after the Closing.

Exhibit F

Financial Targets

1. During the Transition Period, the financial targets shall be deemed as met unless any two (2) of the financial metrics set forth below in this Section 1 to Exhibit F are not at least eighty-five percent (85%) of the Plan Target (as defined below) for three (3) consecutive quarters each.

<u>Metric</u>	<u>Category</u>	<u>85% of Plan Target</u>
Operating Cash Flow Margin % (EBIDA Margin)	Operations Performance	5.2%
Days Cash on Hand (DCOH)	Liquidity	334
Debt to Capitalization	Leverage	23.6%
Unrestricted Cash and Investments to Total Debt	Debt Coverage	2.6x

2. The Parties acknowledge that the initial “Plan Target” for each financial metric is defined utilizing the joint financial forecast of the Parties for FY2025.
3. Parent management shall develop a new Long Range Financial Plan (“LRFP”) for the Affiliation, which shall be brought to the Parent Board of Directors for approval within six (6) months after the Effective Time of the Affiliation. “Plan Targets” shall then be calculated for each financial metric utilizing the LRFP approved by the Parent Board of Directors.
4. Parent management shall notify the Special Session Committee in the event that two (2) of the financial metrics are not at least eighty-five percent (85%) of the then-current Plan Target for two (2) consecutive quarters each. Such notice shall include the missed Plan Target metric threshold and actual performance for each quarter. Parent management shall also begin working on the Mitigation Plan, pursuant to Section 14.4(a) of the Affiliation Agreement, and facilitate a review meeting with any member of the Special Session Committee who is not a member of the Parent Board Executive Committee or Finance Committee prior to the end of the third (3rd) consecutive quarter.

Exhibit G

Guaranteed Funding Amount

Guaranteed Funding Amount (Dollars in Thousands)	CHC	Rady
Capital Plan	\$ 1,400,000	\$ 1,900,000
Debt Issued	-	(211,000)
Projected Paid	(388,034)	(250,000)
Projected Funded from Outside Sources	(79,875)	(201,000)
Guaranteed Funding Amount:	\$ 932,091	\$ 1,238,000

This Exhibit G to be updated by the Parties at least thirty (30) days prior to the Closing Date.

Annex 10.1(e)

Government Authorizations

CHC Government Authorizations:

1. The Federal Trade Commission and the Department of Justice, in relation to the Notification and Report Form for Certain Mergers and Acquisitions filed pursuant to the Hart-Scott-Rodino Act.
2. The California Attorney General, in relation to the Notice of Proposed Submission and Request for Consent filed pursuant to Cal. Corporations Code § 5920(a).
3. The California Department of Managed Health Care, in relation to the Notice of Material Modification filing related to Full Service Health Care Service Plan License for Children's Health Plan of California. (File No. 933 0523)
4. The California Department of Public Health, in relation to the General Acute Care Hospital License for Children's Hospital of Orange County (060000011)
5. The California Department of Public Health, in relation to the General Acute Care Hospital License for Children's Hospital at Mission (060000348)
6. The California State Board of Pharmacy, in relation to:
 - a. Hospital Inpatient Pharmacy Permit for Children's Hospital of Orange County (HSP 37315).
 - b. Sterile Compounding License for Children's Hospital of Orange County Hospital Pharmacy (LSC 100231).
 - c. Sterile Compounding License for Children's Hospital of Orange County Hospital Pharmacy 6th Floor (LSC 100232).
 - d. Sterile Compounding License for Children's Hospital of Orange County (LSC 100233).
 - e. Sterile Compounding License for Children's Hospital of Orange County (LSC 100234).
 - f. Clinic Pharmacy Permit for Children's Hospital of Orange County, dba CHOC Clinic Orange (CLN 4302).
 - g. Clinic Pharmacy Permit for Children's Hospital of Orange County, dba CHOC Clinic Garden Grove (CLN 4146).
 - h. Clinic Pharmacy Permit for Children's Hospital of Orange County, dba CHOC Clinica Para Ninos (CLN 4143).
 - i. Clinic Pharmacy Permit for Children's Hospital of Orange County, dba CHOC Clinic at Boys and Girls Club Santa Ana (CLN 4144).
 - j. Community Pharmacy Permit for Children's Hosp of Orange Co Clinic Phy (PHY 37215)
7. The California Department of Public Health, in relation to Tissue Bank License for CHOC Children's at Mission Hospital (CTB 00080698).
8. The California Department of Public Health, in relation to Tissue Bank License for Children's Hospital of Orange County (CTB 00080542).

RCHHC Government Authorizations:

1. The Federal Trade Commission and the Department of Justice, in relation to the Notification and Report Form for Certain Mergers and Acquisitions filed pursuant to the Hart-Scott-Rodino Act.
2. The California Attorney General, in relation to the Notice of Proposed Submission and Request for Consent filed pursuant to Cal. Corporations Code § 5920(a).
3. The California Department of Managed Health Care, in relation to the Notice of Material Modification filing related to Full Service Health Care Service Plan License for Children's Health Plan of California. (File No. 933 0523)

4. Bermuda Monetary Authority Approval with respect to Children's Hospital Integrated Risk Protective Limited

Annex 10.1(f)

Third Party Consents

Material Consents related to CHC Entity Contracts


1. Amended and Restated Master Trust Indenture, dated as of August 1, 2019, by and among CHOC, CHC, and Wells Fargo Bank, National Association
2. Cardiac Program Affiliation Agreement, dated July 1, 2022, by and between The Regents of the University of California on behalf of the David Geffen School of Medicine and the Ronald Reagan UCLA Medical Center and Santa Monica – UCLA Medical Center and Orthopaedic Hospital; and CHOC
3. Long-Term Lease, dated January 1, 1993, by and between Children’s Hospital at Mission and Mission Hospital Regional Medical Center, Inc., as amended.
4. Professional Services Contract, dated December 29, 2017, by and between CHOC, dba CHOC Children’s Specialist and Orange County Health Authority, a Public Agency, dba CalOptima, as amended.
5. Professional Services Contract, dated January 1, 2011, by and between CHOC as successor-in-interest to Pediatric Subspecialty Faculty, Inc. and Orange County Health Authority, a public agency, dba Orange Prevention and Treatment Integrated Medical Assistance, dba CalOptima, as amended.
6. Ancillary Services Contract, dated August 4, 2021, by and between CHOC dba Providence Speech and Hearing Center and Orange County Health Authority, a Public Agency, dba CalOptima, as amended.
7. Amended and Restated Hospital Services Contract, dated July 1, 2019, by and between CHOC at Mission and Orange County Health Authority, a Public Agency, dba CalOptima, as amended.
8. Amended and Restated Hospital Services Contract, dated July 1, 2019, by and between CHOC and Orange County Health Authority, a Public Agency, dba CalOptima, as amended.
9. Professional Services Contract, dated January 1, 2011, by and between CHOC dba CHOC Primary Care Clinics and Orange County Health Authority, a public agency, dba Orange Prevention and Treatment Integrated Medical Assistance, dba CalOptima, as amended.
10. Clinic Services Contract, dated June 1, 2010, by and between CHOC and Orange County Health Authority, a public agency, dba Orange Prevention and Treatment Integrated Medical Assistance, dba CalOptima.
11. Professional Services Contract, dated July 1, 2020, by and between CHOC and Orange County Health Authority, a Public Agency, dba CalOptima, as amended.
12. Professional Services Contract, dated January 1, 2017, by and between CHOC and Orange County Health Authority, a Public Agency, dba CalOptima, as amended.
13. Amended and Restated Contract for Health Services, dated June 30, 2019, by and between CHOC and Orange County Health Authority, a public agency, dba CalOptima.
14. Hospital Provider Participation Agreement, dated June 1, 2007, by and between CHOC and Health Net of California, Inc., as amended.
15. Hospital Provider Participation Agreement, dated June 1, 2007, by and between CHOC at Mission and Health Net of California, Inc., as amended.
16. Participating Provider Agreement, dated June 26, 2001, by and between CHOC and Managed Health Network, Inc., as amended.
17. Business Agreement, dated September 29, 2000, by and between Children’s Healthcare of California and Cerner Corporation
18. Academic Affiliation Agreement, dated January 1, 2017, by and between the Regents of the University of California, on behalf of the School of Medicine of the University of California, Irvine the University of California, Irvine, Medical Center; and CHC and CHOC

19. Affiliation Agreement, dated June 1, 2018, by and between CHC on behalf of its affiliates and business divisions, and PIH Health Physicians
20. Alliance Agreement, dated July 1, 2014, by and between CHC on behalf of its affiliates, Covenant Health Network, Inc., St. Joseph Health System, and St. Jude Hospital Jorba Linda
21. The MFM and Neonatal Affiliation Agreement, dated July 1, 2018, by and between The Regents of the University of California on behalf of The School of Medicine of the University of California, Irvine and UC Irvine Medical Center and Children's Hospital of Orange County, dba CHOC Children's Orange and Children's Hospital at Mission, dba CHOC Children's at Mission Hospital, as amended, should be amended in a form satisfactory to CHC and RCHHC.
22. Continuing Guaranty dated May 25, 2016 by CHC to Wells Fargo Bank, National Association

Material Consents related to RCHHC Entity Contracts

1. Affiliated Program Agreement, dated October 1, 2012, by and between Universal Health Services of Rancho Springs, Inc. d/b/a Southwest Healthcare System on behalf of its hospital Rancho Springs Medical Center and Rady Children's Hospital – San Diego, shall be amended in a form satisfactory to CHC and RCHHC

EXHIBIT 2

 <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROCEDURE <input type="checkbox"/> STANDARD OF CARE <input type="checkbox"/> STANDARDIZED PROCEDURE <input type="checkbox"/> GUIDELINE <input type="checkbox"/> OTHER	APPROVAL DATE: July 2023	MANUAL: Hospital Policy
	TRACKING #: HPM 7-11	
	TITLE: FINANCIAL ASSISTANCE PROGRAM (DISCOUNT PAYMENT AND CHARITY CARE POLICIES)	
PERFORMED BY All RCHSD departments responsible, including Revenue Cycle Patient Financial Services, Patient Access and Financial Counselors		

1.0 PURPOSE:

- 1.1 To establish the Rady Children's Hospital- San Diego (Hospital) Financial Assistance Program (FAP) for hospital inpatient and outpatient services, including emergency medical care and medically necessary care, via policies and procedures for both charity care and discounted payments for financially qualified patients. Hospital is referred to collectively in this document as Rady Children's.

2.0 DEFINITIONS:

- 2.1 **Amounts Generally Billed (AGB)** means the retrospective review methodology used by Rady Children's to calculate a limit on charges to Financial Assistance Program participants.
- 2.2 **Charge Description Master (CDM)** means a uniform schedule of charges represented by Rady Children's to the public as its gross billed charge for a given service or item, including for diagnosis-related groups, regardless of payor.
- 2.3 **Charity Care** means either full charity care or partial charity care. **Full Charity Care** means free health care services, where the patient/Guarantor is expected to pay nothing except for a copay. **Partial Charity Care** means the patient/Guarantor is not expected to pay a portion of the charges.
- 2.4 **Cost Sharing Benefit Program (CSBP)**, a membership-based program where a member pays a regular (typically monthly) membership fee and fees are distributed each month to members in need of assistance with their medical expenses. Typically benefit programs will not agree to be billed directly and have an agreement with their members to reimburse them for their medical expenses.

- 2.5 **Discount Payment** means a situation where the Hospital has determined the patient does not qualify for Full Charity Care but is eligible for a discount and is expected to pay only a part of the bill. This is a form of Partial Charity Care.
- 2.6 **Emergency Physician** means a physician who is a credentialed member of the Hospital Medical Staff and is contracted by the Hospital to provide emergency medical services in the emergency department (ED). “Emergency Physician” does not include a physician specialist who is called into the ED or who is on staff, or has privileges, at the Hospital outside of the ED.
- 2.7 **Essential Living Expense** means expenses for any of the following: rent or house payment and maintenance; food and household supplies; utilities and telephone; clothing; medical and dental payments; insurance; school or childcare; child or spousal support; transportation and auto expenses, including insurance, gas, and repairs; installment payments; laundry and cleaning; and other extraordinary expenses.
- 2.8 **Family or Patient’s Family** means, for patients 18 years of age and older, the patient’s spouse, registered domestic partner, and dependent children under 21 years of age, whether living at home or not. For patients under 18 years of age, the Family includes the patient’s parent, caretaker relatives, and other children (under 21 years of age) of the parent or caretaker relative.
- 2.9 **FAP Participant** means a Rady Children’s Financially Qualified Patient.
- 2.10 **Federal Poverty Level/Federal Poverty Guidelines (FPL)** means the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services, published at <http://aspe.hhs.gov/poverty>.
- 2.11 **Financial Assistance Program (FAP)** means the Rady Children’s program described by this policy and procedure and designed to assist Financially Qualified Patients in obtaining Discounted Payments or Charity Care for Hospital services and Emergency Physician services.
- 2.12 **Financially Qualified Patient** means:
- 2.12.1 Uninsured Patient with Family income at or below 550% of the FPL; or
 - 2.12.2 Insured Patient or Uninsured CSBP Patient with High Medical Costs and a Family income at or below 450% of the FPL; or
 - 2.12.3 Insured Patient or Uninsured CSBP Patient with non-covered charges and a Family income at or below 450% of the FPL; or
 - 2.12.4 A patient, whether uninsured, insured or a CSBP member, who has High Medical Costs.

- 2.13 **Guarantor** means the person with financial responsibility for the patient's health care services, usually the patient, parent, or legal guardian.
- 2.14 **High Medical Costs** means any of the following, as applied to the date(s) of service
- 2.14.1 Annual out-of-pocket costs actually paid for the patient incurred at the Hospital exceeding 10% of the Family income in the prior 12 months (determined by comparing the patient/Guarantor's out of pocket costs for the patient to the Patient's Family income for the same prior 12-month period). For example, if the patient/guarantor submits a Financial Assistance Application (FAA) on January 1st, documentation of income and expenses should be provided for the prior January 1st thru December 31st.
 - 2.14.2 Annual out-of-pocket costs actually paid for the patient incurred at the Hospital exceeding 10% of the current family income. When current income is used as the basis for the determination, financial counseling will use income as of the month of the financial assistance application (FAA) and multiply it by 12 to determine projected annual income.
 - 2.14.3 Annual out-of-pocket costs actually paid for the patient that exceed 10% of the Family income in the prior 12 months or the current family income if the patient/Guarantor provides documentation of medical expenses paid in the prior 12 months (determined by comparing total medical expenses, including those not incurred at Hospital, actually paid for the patient to the patient's Family income). If current income is used, financial counseling will use income as of the month of the financial assistance application (FAA) and multiply it by 12 to determine projected annual income.
 - 2.14.4 Receipt(s) or invoice(s) of expenses paid must be included with the guarantor's FAA. A signed attestation will not be accepted as proof of High Medical Costs.
- 2.15 **Insured Patient** means a patient who has coverage through a Third-Party Payer, such as a health insurer, health care service plan, Medicare, or Medicaid.
- 2.16 **Medically Necessary Services** mean those services reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain or suffering through the diagnosis or treatment of disease, illness or injury, both mental and physical, as determined by a licensed health care professional acting within the applicable scope of professional practice.
- 2.17 **Monetary Assets** means assets that are readily convertible to cash, such as bank accounts and publicly traded stock, but not illiquid assets such as real property. Monetary assets do not include retirement or deferred compensation plans, and neither the first \$10,000 of Monetary Assets, nor 50% of Monetary Assets over the

first \$10,000, will be counted in determining FAP eligibility based on monetary assets.

- 2.18 **No Surprises Act** applies to hospitals and providers; extends financial and information federal protections to individuals covered by commercial plans and imposes new limits on balance billing and patient cost sharing for uninsured patients.
- 2.19 **Patient/Family Income** means income calculated as follows: Patient's and Family gross income before taxes. Retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans, shall not be included in income or asset calculations.)
- 2.20 **Payment Plan** means monthly payments of agreed upon terms between the Hospital and the patient/Guarantor.
- 2.21 **Self-Pay Patient** means a patient who does not have or chooses not to use third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of worker's compensation, automobile insurance, or other insurance as determined and documented by the Hospital.
- 2.22 **Financially Qualified Self-Pay Patients** are Patients with no coverage through a Third-Party Payer or other Third-Party Coverage and Patient/Family Income does not exceed 550% of the FPL. Financially Qualified Self-Pay Patients may include Charity Care patients.
- 2.23 **Third Party Coverage** means coverage by a Third-Party Payer or through a Cost Sharing Benefit Program.
- 2.24 **Third Party Payer** means a private insurance or entity that pays medical claims on behalf of the insured, reimburses and manages health care expenses and offers health insurance including coverage offered through the California Health Benefits Exchange, Worker's Compensation, automobile insurance, as well as government health care program coverage such as Medi-Cal, CCS, Tricare, Medicare, CHAMPUS, Healthy Families.
- 2.25 **Third Party Liability (TPL)** Third Party Liability means a person or entity other than the patient or Hospital is alleged or adjudicated to be legally responsible for the patient's medical condition and medically necessary health care services, usually due to an injury to the patient.
- 2.26 **Uninsured Patient** means a patient having no coverage through a Third-Party Payer.

2.27 **Uninsured CSBP Patient** means patients who are Uninsured Patients and who are members of a Cost Sharing Benefit Program

3.0 POLICY:

3.1 It is the policy of Rady Children's to provide financial assistance through the Rady Children's Financial Assistance Program (FAP) to

- 3.1.1 Uninsured Patients with Family income at or below 550% of the FPL;
- 3.1.2 Insured Patients and Uninsured CSBP Patients with High Medical Costs and a Family income at or below 450% of the FPL;
- 3.1.3 Insured patients and Uninsured CSBP Patients with non-covered charges and a Family income at or below 450% of the FPL; and
- 3.1.4 Uninsured, Insured Patients and Uninsured CSBP Patients who have High Medical Costs.

4.0 PROCEDURES:

4.1 PROGRAM ADMINISTRATION

- 4.1.1 Rady Children's will administer a FAP to assist Financially Qualified Patients in obtaining discounted payments and/or Charity Care for Hospital services and Emergency Physician services.

4.2 APPLICATION PROCESS

- 4.2.1 To apply for the FAP program and request an eligibility determination, the patient/Guarantor must submit a complete Financial Assistance Application to the Financial Counseling Department.
- 4.2.2 All uninsured patients and/or guarantors applying for financial assistance are expected to pursue public health insurance options, including but not limited to Medi-Cal or California Children's Services, before Rady Children's will make a final FAP eligibility determination. If denied, Rady Children's must receive a copy of denial. Rady Children's financial counseling staff will make every reasonable effort to assist families applying for Rady Children's FAP with completion of applications for government funding options for which they may be eligible. Failure to comply with the application process or provide required documents may be considered in the determination. Willful failure by the patient/guarantor to cooperate may result in Rady Children's inability to provide financial assistance.

- 4.2.2.1 If the patient/guarantor misses the deadline to apply for retro-active Medi-Cal or other insurance for a specific date-of-service, the patient/guarantor must cooperate with Rady Children's Financial Counseling Department in applying for ongoing coverage before current outstanding self-pay balances will be considered for Rady Children's FAP.
- 4.2.3 Insured Patients and/or guarantors or Uninsured CSBP Patients applying for financial assistance for balances related to patient responsibility (i.e., co-insurance, deductible or copays applied by their health plan) may be asked to pursue secondary public health insurance as outlined in 4.2.2. if an initial financial screening indicates potential eligibility. Willful failure by the patient/guarantor to cooperate may result in Rady Children's inability to provide financial assistance.
- 4.2.4 The patient/Guarantor will be given 21 days from the date they first submit an application to make every reasonable effort to provide all of the following:
 - 4.2.4.1 Documentation of Patient/Family income. Income may be verified through any of the following mechanisms. Documentation should be provided from the same year that the patient/guarantor submits their FAA. In the case of tax returns, the most recent return prior to the date a FAA is submitted by the patient/guarantor should be provided:
 - 4.2.4.1.1 Tax returns (preferred)
 - 4.2.4.1.2 Recent pay stubs/paycheck remittance or telephone
 - 4.2.4.1.3 verification by employer
 - 4.2.4.1.4 If the patient/Guarantor is unable to provide documentation of income, Rady Children's may in its sole discretion require the patient/Guarantor to make an attestation signed under the penalty of perjury as to (i) the truth of any income information provided on the Financial Assistance Application form, (ii) an explanation as to why they have not provided income documentation, and (iii) verification of the accuracy of Rady Children's calculation of their income.
 - 4.2.4.2 Documentation of assets if (a) applying for Charity Care and (b) requested by Rady Children's.
 - 4.2.4.3 Documentation of medical expenses, including where applicable those medical expenses not incurred at Hospital, actually paid for the

- patient in the prior 12 months. Expenses incurred by the guarantor, which are not related to the patient, will not be considered.
- 4.2.4.4 Documentation of the presence or absence of Third-Party Coverage (private insurance including coverage offered through the California Health Benefits Exchange, Medi-Cal, CCS, Tricare, Medicare, Worker's Compensation, automobile insurance, or other).
 - 4.2.4.5 Waivers or releases authorizing Rady Children's to obtain account information from financial or commercial institutions, or (if applicable) other entities that hold monetary assets.
 - 4.2.4.6 Rady Children's may in its sole discretion grant additional time for a patient/Guarantor to produce documents in support of the application, for example in cases where Rady Children's requests additional information after 21 days from the date of application.

4.3 ELIGIBILITY DETERMINATIONS

- 4.3.1 Rady Children's Financial Counseling Department will:
 - 4.3.1.1 Determine FAP eligibility as soon as possible after the application process above is complete.
 - 4.3.1.2 Classify the patient account as Self-Pay while an eligibility determination is in process.
 - 4.3.1.3 Once a complete financial assistance application has been submitted, the Financial Counseling Department will make the final FAP eligibility decision prior to continuing any previous collection actions.
 - 4.3.1.4 Take into consideration and act reasonably when a patient/Guarantor fails to provide reasonable and necessary documentation as required by this policy to support their FAP application. If the documentation is essential to a FAP determination, Rady Children's may deny FAP participation if it is unable to make an eligibility determination. If Rady Children's can make a reasonable determination in the absence of the documentation, it will make an effort to do so.
 - 4.3.1.5 Not make a final determination of ineligibility for the FAP until at least 150 days from the initial billing date.
 - 4.3.1.6 Determine if a patient is a Financially Qualified Patient who is eligible for discounted payments by evaluating:

4.3.1.6.1 Patient/Family Income, as compared to the FPL to determine the percentage of the FPL. FPL greater than 550% does not qualify for financial assistance discount rates

4.3.1.6.1.1 Insured Patients and Uninsured CSBP Patients with High Medical Cost or non-covered charges:

FPL	Discount Rate
Up to 400%	100% Discount Rate (Co-pay per table below)
Up to 450%	75% Discount Rate

The discount rate for Insured Patients and Uninsured CSBP Patients with High Medical Costs or non-covered charges will be applied to the patient liability, as determined by the Third-Party Coverage.

4.3.1.6.1.2 Uninsured Patients:

FPL	Discount Rate
Up to 400%	100% Discount Rate (Co-pay per table below)
Up to 450%	75% Discount Rate
Up to 550%	50% Discount Rate

The discount rate for Uninsured Patients will apply to charges based upon Rady Children's Charge Description Master.

4.3.1.6.1.3 Co-payment schedule (Only for full participants at or below 400% FPL)

Hospital service	Co-payment
Clinic visit	\$10.00/visit
Therapy Series visit	\$10.00/month
Emergency department	\$25.00/visit
Urgent Care Center	\$25.00/visit
Inpatient admission	\$100.00/admission
Emergency department resulting in an inpatient admission	\$100.00/admission
Hospital Outpatient Surgery	\$50/outpatient surgery

4.3.1.6.2 Insurance status of insured or uninsured, including through a state or federal health care program.

4.3.1.6.3 Membership in a Cost Sharing Benefit Program.

4.3.1.6.4 Annual medical expenses actually paid for the patient in the prior 12 months, including those not incurred at the Hospital.

4.3.1.6.5 Whether the patient has High Medical Costs, by either:

4.3.1.6.5.1 comparing annual out-of-pocket costs incurred at the Hospital to the Family Income to determine if annual out-of-pocket costs exceed 10% of the Family income in the prior 12 months or current income, or

4.3.1.6.5.2 if the patient provides documentation of medical expenses paid in the prior 12 months, by comparing total medical expenses (including those not incurred at Hospital) actually paid for the patient to the patient's Family income to determine if annual out-of-pocket costs exceed 10% of the Family income. Current income as opposed to prior year income may also be used. If current income is used as the basis for determination, financial counseling will use income as of the month the FAA is submitted and annualize it (multiply by 12 months).

4.3.1.7 Determine if a Financially Qualified Patient is eligible for Full Charity Care by evaluating:

4.3.1.7.1 Patient/Family Income, as compared to the FPL to determine if it is at or below 400% of the FPL.

4.3.1.7.2 Patient/Patient Family's Monetary Assets.

4.3.1.7.3 Whether the health care service rendered to the patient was medically necessary, elective or cosmetic in nature. Rady Children's may in its sole discretion deny Charity Care for non-medically necessary health care services.

4.3.1.8 If a patient/guarantor is approved for financial assistance, all accounts with an outstanding self-pay balance at the time of the determination will adjust in accordance with the percentage discount the patient/guarantor is eligible for based on their application. For example, if a guarantor is approved for a 50% financial assistance discount on January 1st and has 5 prior dates of service with an outstanding balance, the self-pay balance for each of those 5 accounts will be reduced by 50%. Financial Counseling staff can assist the guarantor with establishing a payment plan arrangement if

there is a remaining balance due after financial assistance discounts are applied.

- 4.3.1.9 Use prior eligibility determinations only as follows: If a patient is a current FAP participant and returns to Rady Children's for health care services, the FAP participation will be automatically extended for 6 months for all medically necessary services. For example, if the patient/guarantor is first approved for charity on January 1st, FAP participation will be extended for all medically necessary services occurring between January 1st and June 30th.
- 4.3.1.10 Rady Children's may suspend the final determination of FAP eligibility for a patient account upon appropriate information and notice that the patient's health care services are potentially the result of TPL, during the legal proceedings to determine TPL. If based on an initial review of the FAP application, the patient is FAP eligible, Rady Children's will put patient statements on hold pending the result of the TPL matter. Upon appropriate information and notice that the TPL legal proceedings have concluded and the result or resolution of the TPL matter, Rady Children's will re-process the FAP application and make a final determination of FAP eligibility.
- 4.3.1.11 Rady Children's may suspend the final determination of FAP eligibility for Uninsured CSBP Patients, whose CSBP requires direct patient reimbursement. Upon appropriate information and notice received within the timeframe outlined in 4.2.4, from their CSBP of Uninsured CSBP's patient's coverage denial or determination of benefit cap being exceeded, Rady Children's will re-process the FAP application and make a final determination of FAP eligibility.

4.4 DISCOUNT PAYMENTS (LIMITED EXPECTED REIMBURSEMENT)

- 4.4.1 Patients whom Rady Children's determines are Financially Qualified Patients pursuant to Section 4.3.1.6 above will be granted Discount Payments as follows:

- 4.4.1.1 Hospital Discount Payments (All FAP Participants). Rady Children's will apply these "Payment Limits" to provide discounts to all FAP Participants for health care services provided by the hospital. Accordingly, these payment limits apply to Uninsured Patients with Family income at or below 550% of the FPL; Insured Patients and Uninsured CSBP Patients with High Medical Costs and a Family income at or below 450% of the FPL; Insured Patients and Uninsured CSBP Patients with non-covered charges and a Family income at or below 450% of the FPL; and patients, whether

uninsured or insured or a member of a CSBP, who have High Medical Costs.

- 4.4.1.1.1 FAP Participant payments will be limited to the amount Rady Children's would expect in good faith to receive for the same services from Medicare, Medi-Cal, Healthy Families, or another government-sponsored health program in which Rady Children's participates, whichever is greatest. Rady Children's will determine the limitation on payment by identifying the expected reimbursement amount for the same service, by reference to health care service codes (such as revenue codes, HCPCS, CPT, ICD-9, APR). However, in no event will payment exceed the amount generally billed (AGB).
- 4.4.1.1.2 FAP Participant payments for hospital services for which there is no established payment by Medicare or any other government-sponsored program will be limited to the CDM rate discounted in accordance with this policy.
- 4.4.1.1.3 FAP Participant payments will never exceed the AGB to privately insured patients. Rady Children's determines AGB per HPM 7-55, Hospital & ED Physician Fair Pricing.
- 4.4.1.1.4 Rady Children's will use a sliding scale approach to charge FAP Participants a percentage of charges depending on patient/Family Income. This may result in different amounts charged to different FAP participants for the same service depending on income level, but the expected payment will never exceed the maximum allowed per this policy.

4.4.1.2 Hospital Discount Payments (Certain FAP Participants). Rady Children's will apply these payment limits to provide discounts to certain FAP Participants for health care services provided by the hospital.

- 4.4.1.2.1 For Insured Patients and Uninsured CSBP Patients with High Medical Costs and a Family Income at or below 450% of the FPL, the Payment Limits in section 4.4.1.1 above will apply to the portion of the bill that is the patient's responsibility, including (non-Medi-Cal) copayments and deductibles.

- 4.4.1.2.2 Payments of FAP Participants with High Medical Costs will be limited so the payments will not exceed the difference between the amount of payment available from any third-party payer and the maximum rate established for a service pursuant to the CDM (See HPM 7-55, Hospital & ED Physician Fair Pricing.) However, in no event will the payment exceed the AGB.
- 4.4.1.3 Rady Children's will use the following method to calculate AGB:
 - 4.4.1.3.1 Apply an annual look-back method (retrospective) review, after the close of the previous fiscal year, on actual past claims paid to the Hospital by Medicare fee-for-service together with all private health insurers and CSBP.
 - 4.4.1.3.2 The annual AGB percentage(s) and a description of the calculation is available free of charge upon request from the Financial Counseling Office by contacting them at 858-9664005 or sending them a written request at 3020 Children's Way, MC 5055, San Diego, CA 92123-4282. A copy is also available on Rady Children's website at <https://www.rchsd.org/patients-visitors/financial-assistance/>.
 - 4.4.1.3.2.1 The limit will be calculated like this example:
CDM rate (\$50)
- Third Party Coverage payment (\$25)
= FAP Participant maximum payment (\$25)
- 4.4.1.4 Emergency Department Physician Discount Payments.
 - 4.4.1.4.1 Rady Children's Emergency Physicians will rely on the hospital's determination of FAP eligibility.
 - 4.4.1.4.2 Discount Payments for Rady Children's Emergency Physician services will be in accordance with this policy and procedure except where differences are stated below.
 - 4.4.1.4.3 Rady Children's will limit payments from FAP Participants for Emergency Physician services to an amount that is no more than (a) 50% of the median of billed charges based on a nationally recognized database of physician charges once a database has been selected

or (b) 50% of actual billed charges using the Rady Children's Charge Description Master.

4.5 FREE/FULL CHARITY CARE

- 4.5.1 Self-Pay Patients whose patient/Family Income does not exceed 400% of the FPL will receive Charity Care with a nominal charge not to exceed \$100.
- 4.5.2 Non-medically necessary services that are purely cosmetic in nature are only eligible for Charity Care in Rady Children's sole discretion.

4.6 PRESUMPTIVE ELIGIBILITY

- 4.6.1 Separate from the manual application process outlined in section 4.2, patients may also be presumed to be eligible for financial assistance based on evidence provided through the use of a third-party screening tool regardless of insurance status.
- 4.6.2 To qualify for financial assistance under presumptive eligibility, the patient must meet the same federal poverty level requirements of those patients completing the manual application process as defined in section 3.0 above. Information obtained from the third-party screening tool is used to verify the patient's financial status and may be used as the sole documentation source to make a financial assistance determination.
- 4.6.3 Those patients deemed ineligible for financial assistance through the presumptive eligibility process may apply through the standard application process as detailed in section 4.2.

4.7 NOTICES TO PATIENTS & DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

- 4.7.1 Rady Children's will:
 - 4.7.1.1 Provide to all patients that do not indicate insurance coverage by a third-party, an application for Medi-Cal, Healthy Families, the California Health Benefit Exchange, or other governmental program (to the extent available to Rady Children's). These applications will be provided to emergency care department patients, Hospital outpatients, and prior to discharge for Hospital inpatients.
 - 4.7.1.2 Notify all self-pay individuals of the availability of a Good Faith Estimate (GFE) upon scheduling or upon request and provide a written GFE within the timeframe dictated by the No Surprises Act which outlines the expected cost of the scheduled service and information for Rady Children's FAP and FAA, as well as contact

information for Rady Children's staff available to assist with additional information.

- 4.7.1.3 Provide written notice at the time of service or prior to discharge to all Insured, Uninsured, Uninsured CSBP and Self-Pay Patients/guarantors about availability of Rady Children's FAP including information about eligibility, contact information needed to apply, internet address for the hospital's list of shoppable services, and information about organizations that can provide further assistance such as the Health Consumer Alliance.
- 4.7.1.4 Submit this policy and procedure document including a sample FAP application form to the California Department of Health Care Access and Information (HCAI) when a significant change is made or documents are updated, and at least every other year will provide notice to HCAI if no changes have been made.
- 4.7.1.5 Post this policy and procedure document, a plain language summary of this document, and the FAP application form on the Hospital website.
- 4.7.1.6 Offer and make available paper copies of this document, the FAP application, and the plain language summary of this document
 - 4.7.1.6.1 request and without charge by mail
 - 4.7.1.6.2 as part of Hospital intake or discharge process, and
 - 4.7.1.6.3 in conspicuous public locations including the emergency care department, patient admitting areas, the billing office, Registration-Patient Access, and other outpatient settings.
- 4.7.1.7 Notify and inform members of the community about the FAP in a manner reasonably calculated to reach those members who are most likely to require financial assistance from the Hospital.
- 4.7.1.8 Include conspicuous written notice on billing statements about the availability of the FAP, including the phone number of the Hospital office that can provide information about the application process, and a website address where this policy and procedure is posted.
- 4.7.1.9 Accommodate all significant patient populations that have limited English proficiency (LEP) by providing translated documents of the FAP, FAP application, and plain language summary into the primary language(s) spoken of its patient population.

4.7.2 The Medical Foundation will:

- 4.7.2.1 Provide specific notice of the FAP when billing patients who have not provided proof of Third-Party Coverage. This notice shall be conspicuous written notice on billing statements about the availability of the FAP, including the phone number of the Hospital office that can provide information about the application process, and a website address where this policy and procedure is posted.

4.8 REIMBURSEMENT OF OVERCHARGES

- 4.8.1 Rady Children's will reimburse patients amounts paid in excess of the amount due under the FAP, including applicable interest within 30 days from approval of their financial assistance application.
- 4.8.2 The following will be considered amounts paid in excess of the amount due under the FAP:
 - 4.8.2.1 Any patient payment paid toward the patient/family's outstanding balance between the date a financial assistance application is submitted and the date it is approved
 - 4.8.2.2 Any patient payment made after a financial assistance application is approved that exceeds the amount owed based on the discounted rates outlined in 4.3 above. i.e., The patient liability after financial assistance discounts is miscalculated resulting in an erroneous overpayment.
- 4.8.3 Interest accrues on an overpayment from a patient qualifying for the FAP from the date the payment is received by Rady Children's.
- 4.8.4 Interest accrues at the rate of 10 percent per annum on the amount of the overpayment and is prorated for any refund submitted prior to 1 year from date of receipt. For example, if a patient/family overpays \$1000 on January 1st and the refund is issued the following month on February 1st, interest of \$8.33 would be due to the patient in addition to the \$1000 refund.

4.9 PROVIDER LIST

- 4.9.1 All members of the Medical Foundation who are on the Hospital Medical Staff are covered by the FAP. Rady Children's maintains a list of the Medical Foundation physicians at <http://www.rchsd.org/rcssd/>.
- 4.9.2 Emergency Physicians rendering health care services at the Hospital are covered by the FAP. Rady Children's maintains a list of the Emergency

Physicians at <http://www.rchsd.org/doctors/?spec=emergency> medicine/urgent care.

- 4.9.3 The Medical Staff Services department maintains the above provider lists and are updated at least every 90 days.
- 4.9.4 Rady Children's partners with outside providers (i.e., anesthesiologists, radiologists, and hospitalists) to assist us in delivering certain specialized services. These providers are not covered by the FAP and may have separate policies regarding financial assistance.

4.10 DENIAL OF FINANCIAL ASSISTANCE

- 4.10.1 Rady Children's may reverse current financial assistance that was granted under this policy if it determines a patient/Guarantor submitted false, misleading, or fraudulent information on or with the Financial Assistance application.
- 4.10.2 Rady Children's may withdraw a Financial Assistance application if it determines the patient/Guarantor submitted false, misleading, or fraudulent information on or with the Financial Assistance application.
- 4.10.3 If Rady Children's determines that the patient/Guarantor is not eligible for the FAP under this policy, it will notify the patient/Guarantor of this denial in writing. The Financial Counseling department will coordinate the processing and mailing of these communications.
- 4.10.4 Rady Children's may reverse current financial assistance that was granted under this policy in order to suspend FAP eligibility final determination in accordance with Section 4.3.1.10. A reversal pursuant to this section 4.10.4 will not result in any additional financial liability for the patient or guarantor, and all payments made by the patient or guarantor will be returned pending final FAP eligibility determination. A letter will be sent to the patient or guarantor notifying them of the reason for the payment refund and that payment from the patient or guarantor may be pursued at a later date if the resolution of the TPL matter and final FAP determination deems the patient or guarantor has financial responsibility.

4.11 ELIGIBILITY DISPUTES

- 4.11.1 Rady Children's may deny eligibility for Charity Care or Discount Payments on either of the following grounds: 1) the patient is not financially eligible or 2) the patient/Guarantor did not provide required documentation per this policy and procedure.

4.11.2 Rady Children's designates the Director of Patient Access to review disputes concerning eligibility. Eligibility disputes should be submitted to Hospital Customer Service at 858-966-4912 for documentation and tracking. Customer Service will refer each dispute to the Director of Patient Access for review.

4.11.3 Rady Children's limits its debt collection activities in accordance with its Billing & Debt Collection policy.

4.11.3.1 A free copy of this policy is available by contacting the Financial Counseling Office at 858-966-4005 or at <https://www.rchsd.org/patients-visitors/financial-assistance/>. A copy may also be obtained by mail by sending a request to the Financial Counseling Office at 3020 Children's Way, MC 5055, San Diego, CA 92123-4282 as well as in public locations in the hospital.

4.12 COMMUNITY HEALTH NEEDS ASSESSMENT/COMMUNITY BENEFIT ANALYSIS

4.12.1 Rady Children's performs an annual Community Health Needs Assessment/Community Benefit Analysis, which can be accessed at <http://www.rchsd.org/health-safety/community-health-needs-assessment/>.

5.0 FORMS:

- 5.1 Application for FAP (Free/Charity Care or Discounted Payments)
- 5.2 Summary of the FAP

6.0 RELATED POLICIES:

- 6.1 HPM 7-55, Hospital & ED Physician Fair Pricing
- 6.2 HPM 7-56, Billing & Debt Collection

7.0 REFERENCES:

- 7.1 California AB 774 (2007), AB 1503 - Chapter 445 (2010), SB 1276 – Chapter 758 (2014)– Hospital Fair Pricing Policies Law (Health & Safety Code 127400-127446), AB 532 (2022)
- 7.2 Title 22, California Code of Regulations, §§ 96005-96020, 96040-96050
- 7.3 <https://hcai.ca.gov/HID/Products/Hospitals/Chrgmstr>
- 7.4 Health & Safety Code §§ 1339.55, 1339.56, 1339.59, 1339.585 & 128770
- 7.5 Patient Protection and Affordable Care Act
- 7.6 Internal Revenue Code section 501(r)

Date Written: January 2013

Date Revised: November 2019, January 2020, May 2021, March 2022, September 2022, July 2023

Date Reviewed: September 2022

EXHIBIT 3

EXHIBIT 3

Disclosed contracts between the merging entities and local government agencies are listed below. This list is intended to be comprehensive. However, to the extent that a contract is in place at the time of the Closing but not listed below, it is incorporated in this list.

Local Government Contracts for Rady Children's Hospital – San Diego (RCHSD)

1. County Contract Number 566326, Agreement with RCHSD for Acute Psychiatric Inpatient Services for Children and Adolescents, dated June 16, 2022, by and between the County of San Diego and RCHSD.
2. Agreement for Signal Booster Operation, dated February 19, 2021, by and between the County of Riverside, on behalf of the Riverside County Information Technology Department/Public Safety Enterprise Communication Agency and RCHSD.
3. County of Riverside Behavioral Health Central Children's Services Agreement, dated July 1, 2022, by and between the County of Riverside and RCHSD, as amended by the Fiscal Year 2023/2024 Agreement Renewal Between County of Riverside and RCHSD, dated November 7, 2023.
4. Riverside County Information Technology VPN Access Agreement – Vendor, dated September 24, 2020, by and between Riverside University Health System – Behavioral Health and RCHSD.
5. Treatment Facility Agreement, dated September 12, 2023, by and between the County of Imperial, by and through its Department of Behavioral Health Services and RCHSD.
6. Community Partner License Agreement, dated August 10, 2023, by and between the City of San Diego and RCHSD, Chadwick Center for Children and Families.
7. City of San Diego Right of Entry Agreement, dated March 20, 2023, by and between the City of San Diego and RCHSD.
8. Consultant Services Agreement, dated February 12, 2021, by and between the City of San Diego and RCHSD – Chadwick Center for Children and Families.
9. Agreement for Professional Services, dated November 27, 2019, by and between the City of El Cajon and RCHSD, as amended by First Amendment to Agreement for Professional Services, dated March 9, 2021, as further amended by Second Amendment to Agreement for Professional Services, dated May 25, 2022, as further amended by Third Amendment to Agreement for Professional Services, dated January 25, 2023.
10. San Diego County Superintendent of Schools Agreement, SDCOE Agreement C-23240557, with RCHSD, dated June 27, 2023, by and between the San Diego County Superintendent of Schools and RCHSD.
11. Audiology and Equipment Use Agreement, SDCOE Agreement No. 23240535, dated June 16, 2023, by and between the San Diego County Superintendent of Schools, on behalf of the South SELPA program, and RCHSD.
12. San Diego County Area Hospitals Hospital Emergency Mutual Aid Memorandum of Understanding, dated October 9, 2008, by and among certain San Diego County Hospitals, including RCHSD.
13. Operational Agreement, dated January 1, 2024, by and between Chadwick Center for Children and Families and the San Diego County District Attorney's Office.
14. Riverside County Superintendent of Schools, Early Care and Education Child Care

Services Provider Agreement, dated June 14, 2023, by and between Riverside County Superintendent of Schools, Early Care and Education and RCHSD.

15. Riverside County Children and Families Commission Contract for the Investment of Funds, dated August 17, 2023, by and between the Riverside County Children and Families Commission for First 5 of Riverside County and RCHSD, .
16. Memorandum of Agreement, dated March 9, 2023, by and between the County of San Diego, by and through its Health and Human Services Agency, California Children's Services and RCHSD.
17. County Contract Number 564371 Agreement with Rady Children's Hospital and Health Center for Wellness Team Services, dated April 13, 2021, by and between the County of San Diego and Rady Children's Hospital and Health Center ("RCHHC"), as amended by Contract 564371, Modification 1, dated January 5, 2023, as further amended by Contract 564371, Modification 2, dated May 31, 2023.
18. San Diego County Child Victim – Witness Protocol, dated January 13, 2023, with RCHSD.
19. County Contract Number 555165 Agreement, dated June 1, 2017, by and between the County of San Diego and RCHSD, as amended by Contract 555165 Amendment 01, dated January 1, 2018, as further amended by Contract 555165 Amendment No. 2, dated December 6, 2019, as further amended by Contract 555165 Amendment 03, dated January 1, 2020, as further amended by Contract 555165 Amendment 04, dated January 1, 2021, as further amended by Contract 555165 Amendment No. 5, dated November 15, 2021, as further amended by Contract 555165 Amendment No. 06, dated January 1, 2022, as further amended by Contract 555165, Modification 7, dated May 24, 2022, as further amended by Contract 555165, Modification 8, dated January 1, 2023, as further amended by Contract 555165, Modification 9, dated July 1, 2023.
20. Memorandum of Agreement, between the County of San Diego by and through its Health and Human Services Agency Medical Care Services, Emergency Medical Services and RCHSD, as amended by Memorandum of Agreement Number 5930, dated July 26, 2017, Amendment Number 01, dated November 27, 2019, as further amended by Memorandum of Agreement Number 5930 Amendment Number 02, dated June 13, 2023.
21. County Agreement Number 564770 Agreement with RCHSD, dated June 25, 2021, by and between the County of San Diego and RCHSD, as amended by Contract 564770, Modification 1, dated July 1, 2021.
22. County Contract Number 563750 Agreement, dated December 30, 2020, by and between the County of San Diego and RCHSD, as amended by Contract 563750 Modification #01, dated October 26, 2022, as further amended by Contract 563750, Modification 2, dated July 27, 2023.
23. County Contract Number 568573 Agreement, dated June 7, 2023, by and between the County of San Diego and RCHSD.
24. County Contract Number 563607, dated December 22, 2020, by and between the County of San Diego and RCHSD, as amended by Contract 563607 Modification 01, dated July 1, 2022, as further amended by Contract 563607, Modification 2, dated January 21, 2021, as further amended by Contract 563607, Modification 3, dated November 1, 2023.
25. County Contract Number 564967 Agreement, dated July 1, 2021, by and between the County of San Diego and RCHSD, as amended by Contract 564967, Modification 1, dated July 1, 2021, as amended further by Contract 564967, Modification 2, dated July 1,

2023.

26. Data Sharing Agreement, dated November 16, 2019, by and between RCHSD and the County of San Diego Health and Human Services Agency, Public Health Services.
27. Operational Agreement, dated January 1, 2024, by and between Chadwick Center for Children and Families and the San Diego Police Department.
28. First 5 Commission of San Diego Agreement #551954, dated July 1, 2015, by and between the First 5 Commission of San Diego and RCHSD.
29. County Contract Number 565987, dated January 1, 2022, by and between the County of San Diego and RCHSD.
30. Operational Agreement, dated April 1, 2023, by and between Chadwick Center for Children and Families and the San Diego Police Department.
31. Operational Agreement, dated April 1, 2023, by and between Chadwick Center for Children and Families and the San Diego Welfare Services.
32. First 5 Commission of San Diego Contract Number 534759, dated July 1, 2010, by and between the First 5 Commission of San Diego and RCHSD.
33. First 5 Commission of San Diego Agreement Number 534775, dated July 19, 2010, by and between First 5 Commission of San Diego and RCHSD.
34. Operational Agreement, dated January 1, 2024, by and between Chadwick Center for Children and Families and the San Diego District Attorney's Office.
35. Operational Agreement, dated April 1, 2024, by and between Chadwick Center for Children and Families and the San Diego Sheriff's Department.
36. Operational Agreement, dated January 1, 2024, by and between Chadwick Center for Children and Families and the San Diego Sheriff's Department.

Local Government Contracts for Children's Hospital of Orange County (CHOC)

37. Memorandum of Understanding, dated July 17, 2020, by and between the Anaheim Union High School District and CHOC.
38. Memorandum of Understanding, dated April 20, 2023, by and between Brea Olinda Unified School District and CHOC.
39. Memorandum of Understanding, dated January 1, 2021, by and between Buena Park School District and CHOC.
40. OC Children's Screening Registry Participation Agreement, dated December 15, 2020, by and between the Buena Park School District and CHOC.
41. Memorandum of Understanding, dated March 16, 2022, by and between the Capistrano Unified School District and CHOC.
42. Agreement FCI-HMG-01, dated July 1, 2016, by and between the Children and Families Commission of Orange County and CHOC, as amended by First Amendment to Agreement FCI-HMG-01, dated August 2, 2017, as further amended by the Second Amendment to Agreement FCI-HMG-01, dated February 13, 2020, as further amended by the Third Amendment to Agreement FCI-HMG-01, dated March 15, 2021.
43. Agreement FCI-HMG-02, dated August 15, 2021, by and between the Children and Families Commission of Orange County and CHOC.

44. Memorandum of Understanding and Agreement, dated February 7, 2023, by and between the Covina-Valley Unified School District and CHOC.
45. OC Children's Screening Registry Participation Agreement, dated October 5, 2020, by and between the Fountain Valley School District and CHOC.
46. Memorandum of Understanding, dated January 14, 2021, by and between the Fullerton Joint Union High School District and CHOC.
47. OC Children's Screening Registry Participation Agreement, dated June 1, 2021, by and between the Fullerton School District and CHOC.
48. Memorandum of Understanding, dated March 1, 2020, by and between the Garden Grove Unified School District and CHOC.
49. OC Children's Screening Registry Participation Agreement, dated August 17, 2023, by and between the Huntington Beach City School District and CHOC.
50. Memorandum of Understanding, dated February 1, 2020, by and between the Huntington Beach Union High School District and CHOC.
51. Memorandum of Understanding, dated July 1, 2021, by and between the Irvine Unified School District and CHOC.
52. Memorandum of Understanding, dated November 10, 2022, by and between the La Habra City School District and CHOC.
53. Memorandum of Understanding, dated March 1, 2021, by and between the Laguna Beach Unified School District and CHOC.
54. Memorandum of Understanding, dated April 29, 2020, by and between the Los Alamitos Unified School District and CHOC.
55. Memorandum of Understanding, dated July 17, 2023, by and between the Newport-Mesa Unified School District and CHOC.
56. Memorandum of Understanding, dated August 1, 2019, by and between the Orange County Superintendent of Schools and CHOC.
57. Service Agreement, Agreement Number 10001984, dated February 1, 2023, by and between the Orange County Superintendent of Schools and CHOC, as amended by Amendment Number 1, dated February 1, 2023.
58. Memorandum of Understanding, dated December 16, 2020, by and between the Orange Unified School District and CHOC.
59. Memorandum of Understanding, dated January 1, 2022, by and between the Saddleback Valley Unified School District and CHOC.
60. Memorandum of Understanding, dated August 9, 2023, by and between the Santa Ana Unified School District and CHOC.
61. Memorandum of Understanding, dated December 23, 2022, by and between Scholarship Prep Public Schools and CHOC.
62. Mobile Health Care Services Agreement, dated March 23, 2009, by and between the City of Fullerton Parks and Recreation and CHOC.
63. Non-Profit / Agency Service Provider Agreement, dated February 23, 2022, by and between the City of Anaheim and CHOC.
64. Agreement for Provision of Children and Transitional Age Youth Full Service Partnership/Wraparound Services for Co-Occurring Disorders, dated May 1, 2018, by and between the County of Orange and CHOC, as amended by Amendment No. 1 to

Contract No. MA-042-18011851, dated July 1, 2020, as further amended by Amendment No. 2 to Contract No. MA-042-18011851, dated October 13, 2020, as further amended by Amendment No. 3 to Contract No. MA-042- 18011851, dated July 1, 2021.

65. Clinical Training Affiliation Agreement, dated December 1, 2021, by and between Orange County EMT and CHOC.
66. Clinical Training Affiliation Agreement (With School Instructor on Hospital Premises), dated August 1, 2023, by and between the Rancho Santiago Community College District on behalf of Santa Ana College and CHOC.
67. Clinical Training Affiliation Agreement (Without School Instructor on Hospital Premises), dated August 1, 2023, by and between the Rancho Santiago Community College District on behalf of Santa Ana College and CHOC.
68. Clinical Training Affiliation Agreement (Without School Instructor on Hospital Premises), dated August 1, 2019, by and between the South Orange County Community College District on behalf of Saddleback College and CHOC.
69. Affiliation Agreement, dated July 1, 2021, by and between the County of Riverside on behalf of Riverside University Health System and CHOC.
70. Mobile Health Care Services Agreement, dated January 1, 2016, by and between the Anaheim City School District and CHOC, as amended by Amendment Number 1 to the Mobile Health Care Services Agreement, dated April 11, 2018.
71. Mobile Health Care Services Agreement, dated July 1, 2013, by and between the Capistrano Unified School District and CHOC, as amended by Amendment Number 1 to the Mobile Health Care Services Agreement, dated July 1, 2016, as further amended by Amendment Number 2 to the Mobile Health Care Services Agreement, dated July 1, 2019.
72. Mobile Health Care Services Agreement, dated April 12, 2022, by and between the City of Fullerton and CHOC.
73. Mobile Health Care Services Agreement, dated July 1, 2013, by and between the Magnolia School District and CHOC, as amended by Amendment Number 1 to the Mobile Health Care Services Agreement, dated July 1, 2016, as further amended by Amendment Number 2 to the Mobile Health Care Services Agreement, dated July 1, 2019, as further amended by Amendment Number 3 to the Mobile Health Care Services Agreement, dated July 29, 2022.
74. Mobile Health Care Services Agreement, dated July 1, 2013, by and between the Newport Mesa School District and CHOC, as amended by Amendment Number 1 to the Mobile Health Care Services Agreement, dated July 1, 2016, as further amended by Amendment Number 2 to the Mobile Health Care Services Agreement, dated July 1, 2019, as further amended by Amendment Number 3 to the Mobile Health Care Services Agreement, dated July 11, 2022.
75. Mobile Health Care Services Agreement, dated December 9, 2015, by and between the Santa Ana Unified School District and CHOC, as amended by Amendment Number 1 to the Mobile Health Care Services Agreement, dated May 1, 2018.
76. Agreement for Provision of Designated Emergency Services, dated July 1, 2023, by and between the County of Orange and CHOC.
77. Agreement for Provision of Preparedness and Response Program, dated July 1, 2015, by and between the County of Orange and CHOC.

78. Contract for Provision of Integrated Medical and Behavioral Health Outpatient Care Services for Children and Youth, dated July 1, 2020, by and between the County of Orange and CHOC.
79. Agreement for Support of Pediatric Clinic Services, dated November 1, 2016, by and between the County of Orange and CHOC.