Carewell Health Medical Center
Certificate of Need Application
Index

TAB I

Your Check transaction has been successfully processed. The transaction confirmation number is 14260-137491741. Please print this page for your record.

Check Confirmation

Payer Information

Last Name:	First Name:
Hatami	Wayne

Electronic Check Payment

E-Check Debit Information

*Bank Routing Number:	026014384
*Bank Account Number:	0920005071
*Account Type:	Checking
*Application Payment Amount:	$32500.00
*Payment Including Service Fee:	$32500.00

Please PRINT this confirmation for your records.
If your registration requires completion of an application please use RETURN button to open the application and follow the instruction.
Otherwise use RETURN button to go back.

Note: **Do not click on the back button.**

PRINT RETURN

TAB II

New Jersey Department of Health

APPLICATION - CERTIFICATE OF NEED
FOR HOSPITAL-RELATED PROJECTS

Name of Hospital	FOR STATE USE ONLY
Carewell Health Medical Center (License # 10704)	
Street Address **300 Central Avenue**	Appl. No. _____
City / State / Zip Code **East Orange** / **NJ** / **07018**	Review Cycle _____
County **Essex**	Type of C/N:
Type of Hospital **General Acute Care Hospital**	☐ Change in Bed Capacity ☐ New Health Care Service ☐ Modernization/Renovation ☐ Major Movable Equipment ☐ Construction/Acquisition
Name of Chief Executive Officer **Paige Dworak, FACHE**	
Name of Contact Person **Wayne Hatami**	
Title **Member**	Date Received:
Telephone Number **516-353-6662** **email: whatami@surgicoreasc.com**	_____

A. Project Cost:

1. Total Capital Cost: **$ 10,000,000**
2. Financing Cost: **0** Method of Financing: **Buyer Credit**
3. Total Project Cost (1 + 2): **0**
4. Equity Contribution: **n/a**
5. Construction Cost:

Type	Square Feet	Construction/ Capital Lease Cost	Construction/ Capital Lease Cost Per Square Foot
New Construction	**n/a**		
Renovation			
Lease			

6. Will this project result in any permanent change in licensed or planning bed category or capacity of the existing facility?

☒Yes ☐No

7. Provide a brief (50 words) description of the project:

This project involves the Transfer of Ownership of Carewell Health Medical Center from EOH Acquisition Group, LLC to ECR OPCO, LLC. ECR OPCO, LLC is a team of experienced healthcare leaders with proven track-records in successfully acquiring and operating health care facilities throughout the United States. Upon completion of the project, the day-to-day operations of Carewell Health Medical Center will be under the direction of ECR Management, LLC at the Hospital. There will be no change in the licensed capacity of beds or services currently provided at the Hospital.

B. PROJECT COST

Project costs should be submitted in those dollars which would be needed to complete the project over the anticipated period of construction if construction were to begin at the time of submission of the Certificate of Need proposal to the Department.

Do not include contingency. The Department will calculate a construction cost allowance for the project in lieu of providing a contingency factor for the time period from Certificate of Need submission to the start of construction.

1.	Capital Costs		
	Studies and/or Surveys		
	Site Survey and Soil Investigation		
	Architect and Engineer Fees		
	Legal and Other Special Services		
	Plans and Specifications		
	Demolition		
	Renovations		
	Asbestos Abatement		
	New Construction		
	Fixed Equipment Not in Construction Contracts (New Construction)		
	Fixed Equipment Not in Construction Contracts (Renovations)		
	Major Movable Equipment		
	Supervision and Inspection of Site and Building(s)		
	Purchase of Land		
	Purchase of Building(s)		
	Capital Value of Lease (true operating leases should be included in operating budget and details identified)		
	Developmental and/or Start-Up Costs		
	Department of Health Approved Construction Cost Allowance		
	Other (Specify) (Do NOT include contingency) **Purchase Price**	**$10,000,000**	
	Total Capital Costs		**$10,000,000**
2.	Financing Costs		
	Capitalized Interest		
	Debt Service Reserve Fund		
	Other Financing Costs (Include fees assessed by any financing agency, bond counsel fees, trustees bank fees and/or other costs related to sale of bonds)		
	Total Financing Costs		**0**
	Total Project Cost		**$10,000,000**

C. PROPOSED METHOD OF FINANCING THE TOTAL PROJECT COST:

For purposes of Certificate of Need review, equity shall mean a non-operating asset contribution which will reduce the size of the total debt. It may include cash, other liquid assets, and the fair appraised market value of land owned by an applicant which is the viable site for the proposed project. A minimum of fifteen percent (15%) of the total project cost, including all financing and carrying costs, must be available in the form of equity.

1.	Available Cash (include source of contribution in D-1)	$	
2.	Mortgage (provide details in D-2)		
3.	Loans (provide details in D-2)		
4.	Capital Leases (provide details in D-2)		
5.	Net fund raising (include documentation)		
6.	Other (Specify) Buyer Credit		$10,000,000
	Total	$	$10,000,000

D. EQUITY CONTRIBUTION

1. Indicate source of equity contribution:

Investment capital

2. Mortgages/Loans/Capital Lease Agreements - Attach a copy of any mortgage, loan or capital lease agreements.

Lender/Lending Institution	Amount	Rate of Interest	Annual Payment	Maturity Date
New Construction	n/a			
Renovation				
Lease				

E. EQUIPMENT

1. Major Moveable Equipment

Qty.	Description	Addition/ Replacement	Purchase/ Lease/ Donation	Total Purchase Cost/ Donation	Annual Lease Cost
n/a					
TOTAL					

E. EQUIPMENT

2. Fixed Equipment

Qty.	Description	Addition/ Replacement	Purchase/ Lease/ Donation	Total Purchase Cost/ Donation	Annual Lease Cost
n/a					
TOTAL					

CN-3

E. EQUIPMENT

3. Minor Moveable Equipment (For information purposes only; do not include in project cost.)

Qty.	Description	Addition/ Replacement	Purchase/ Lease/ Donation	Total Purchase Cost/ Donation	Annual Lease Cost
n/a					
TOTAL					

CN-3

F. PROJECT SUMMARY

(A written summary of your project is required. Please do so on Pages 7 through 9 of the Certificate of Need Application form. The summary must be comprehensive and not exceed three pages.

This project involves the Transfer of Ownership of Carewell Health Medical Center from EOH Acquisition Group, LLC to ECR OPCO, LLC.

Carewell Health Medical Center ("Hospital") is licensed by the New Jersey Department of Health (State License #10704) as a General Acute Care Hospital. The facility is located at 300 Central Avenue in the City of East Orange in Essex County and is currently owned by EOH Acquisition Group, LLC. This project involves the acquisition of Carewell Health Medical Center by ECR OPCO, LLC. Upon completion of the transfer, the Hospital will continue with the name "Carewell Health Medical Center".

The current licensed bed capacity of Carewell is as follows:

Service	Beds
Medical / Surgical beds	151
ICU/CCU	13
Adult Acute Open Psych beds	18
Adult Acute Closed Psych beds	19
Total	201

In addition to the above noted bed capacity, Carewell is licensed to operate 3 Mixed Operating rooms, 1 Cystoscopy Suite, 1 MRI, and 1 CT. Carewell is designated as a Primary Stroke Center.

It is anticipated that all services currently offered at Carewell will be continued subsequent to completion of the Transfer of Ownership.

As an urban center, Carewell has faced a multitude of challenges to maintaining fiscal solvency for many years. In November 2021, the Department approved a Transfer of Ownership to EOH Acquisition Group, LLC. The Transfer of Ownership was finalized in January 2022. At the time of submission, the sale of the Hospital provided the best opportunity for the residents of the East Orange service area to maintain continued access to necessary health services in their community.

EOH Acquisition Group, LLC struggled in its efforts accessing capital shortly after the change of ownership January 2022. Almost immediately, capital markets changed rapidly and made accessing operating capital difficult. With approximately $45MM in real estate value and $15MM in AR, EOH Acquisition Group, LLC did not anticipate this issue. As the years went on, financial constraints worsened, creating a challenging environment to thrive. Carewell needed a strategic partnership: a partnership to help enhance volumes and services while providing access to additional capital. EOH Acquisition Group, LLC identified ECR OPCO, LLC as an ideal

partner. Its area of expertise involves the turnaround of financially challenged health care facilities into thriving community entities.

The proposed sale of the Hospital to ECR OPCO, LLC will help provide more financial stability to Carewell with a partner committed to maintaining the same level of acute care beds and services to the underserved and the greater East Orange Community for many years.

PROPOSED OWNERSHIP

ECR OPCO, LLC consists of a small group of experienced healthcare leaders with proven track-records in successfully acquiring and operating health care facilities throughout the United States. Their Members are leading healthcare facility operators that dramatically improved both the quality of patient care and financial stability of its healthcare facilities.

The Ownership team consists of the following Members:

ECR OPCO, LLC

Feliks Kogan	48.5%
Wayne Hatami	24.25%
Anthony Degradi	24.25%
Gregg Rock, DPM	3.0%

Since the acquisition of Carewell by EOH Acquisition Group, LLC in January 2022, the Hospital has struggled to meet the financial challenges of the operation and limited access to capital has made continued ownership challenging.

After significant consideration of its alternatives, EOH Acquisition Group, LLC has determined that a sale of the Hospital to ECR OPCO, LLC will strengthen Carewell and will position it to service the health care service needs of the residents of its primary service area in the most optimal manner.

The Carewell's Primary Service area comprise 10 ZIP Codes: 07017;07018;07019; 07050;07051; 07101; 07102; 07103; 07106; and 07111. Market Share data is included in the attachments.

Subsequent to approval of this project, the day-to-day operations of Carewell will continue to be under the direction of ECR Management, LLC. A detailed description of the senior management of ECR Management, LLC is included above.

The list of area hospitals in the market area are identified below with their number of licensed Medical/Surgical and ICU/CCU capacity:

F. PROJECT SUMMARY, Continued

Hospital	# of Med/Surg and ICU/CCU beds
University Hospital	332 beds
St. Michael's Medical Center	317 beds
Clara Maass Medical Center	372 beds
Newark Beth Israel Medical Center	450 beds
Cooperman Barnabas Medical Center	410 beds
Hackensack UMC Mountainside	298 beds
Overlook Medical Center	402 beds
Trinitas Regional Medical Center	292 beds
RWJ Rahway	241 beds
Hackensack University Medical Center	603 beds

Since this project is limited to a Transfer of Ownership, approval of this project will not have an impact on any of the above noted facilities.

Carewell has been a cornerstone of care for the poor and vulnerable communities of East Orange, Orange, Irvington, Newark, and beyond for nearly 120 years. Carewell is the largest private employer in East Orange, NJ.

As a safety net hospital, Carewell serves the most vulnerable populations of Essex County with 26,000 ED visits, 4,800 inpatient admissions, 1,200 active behavioral health patients (adults and children,) and has expanded its service to care for over 1,000 substance use (addiction) patients each year- all with only 6% of its patients having adequate insurance. Carewell is the 8th highest provider of Charity Care in the State of NJ as a percentage of charity care charges to total.

According to the 2023 Community Health Needs Assessment, Essex County is one of the most racially ethnically diverse Counties in NJ with a large rapidly increasing elderly population, and highly unfavorable Violent Crime and Unintentional Injury statistics. Essex County's experience in access to patient care measures has been identified by the NJ Department of Health as a "Reason for Concern". The NJ Department of Health assigned a "Reason for Concern" rating to 18 public health assessment indicators in Essex County.

In addition to providing impatient and outpatient services to patients who have qualified for charity care, Carewell also provides discounted services for the indigent and poor that may not qualify for Charity Care.

Also, all patients presenting at Carewell are treated without ability to pay consideration. If patients are uninsured, they are screened for both Medicare and Medicaid eligibility and assisted with the respective application process.

G. Grants

Attach a copy of grant budget submitted.

Source	Amount	Current Status of Grant
CAPS Grant	111,511	Active
CSS Grant	505,071	Active
SUD Rehab Grant	$2,000,000	Review Stage
TOTAL	2,616,582	

H. VOLUME OF ACTIVITY IN COST CENTERS RELATED TO PROJECT

1. Admission or Cases **(August 2023 thru July 2024)**

Routine and Emergency Service	Current Year	Projected Year 1	Projected Year 2
Medical/Surgical Admissions *	3,131	4,720	5,667
Same Day Surgery Admissions (including Outpatient)	1,374	2,332	2,748
Pediatric	0		
Acute Psychiatric	604	Same as CY	Same as CY
Long-Term Psychiatric	0		
Obstetric	0		
Burn Unit	0		
Intensive Care Unit	460	Same as CY	Same as CY
Neonatal Intensive Care	0		
Coronary Care Unit	0		
Newborn Nursery	0		
TOTAL			

2. Visits

Cost Center	Current Year	Projected Year 1	Projected Year 2
Emergency Room	**20,705**	Same as CY	Same as CY
Clinic	**10,141 (OP Clinics/Ancillaries) (includes unique monthly encounters)**	10,632	11,229
Private Outpatient			

I. OPERATING PROJECTIONS

1. Revenues (Report in 000's)

	2 Most Recent Actual Years Ended (Audited)		Current year Projection	Projected Years Ending {Through Second Year After Project Completion)			
Category	FY-2022	FY-2023	FY-2024	Year 1	Year 2		
Inpatient Services	270,088	253,302					
Outpatient Services	159,135	149,568					
Total Patient Service Revenues	429,243	402,870					
Allowance for Charity Care	0	0					
Contractual Allowances	363,414	341,520					
Net Patient Service Revenues	65,809	61,350		93,095	104,544		
Other Operating Revenues	26,329	36,155		23,675	23,675		
Total Net Operating Revenues	92,138	97,505	98,717	116,770	128,218		

2. Expenses (Report in 000's)

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
	FY-2022	FY-2023	FY-2024	Year 1	Year 2		
Salaries, Wages & Professional Fees (Including Contracted Services and Fringe Benefits)	77,858	70,104	67,918				
Interest	*III/III/I*	*III/III/I*	*/II/III//*	*I/II/III/*	***III/I/III***	*II/I/III/*	*III/II/II*
a. Current Interest	1,022	1,668	4,025				
b. Project Interest	0	0	0	1,500	1,500		
c. Total Interest	1,022	1,668	4,025				
Depreciation:	*/III/III/*	*/III/I/II*	*/III/III*	*III/I/III*	***III/III/I***	***II/III/I***	*//III/III*
a. Current Depreciation	601	0	0				
b. Project Depreciation	0	0	0				
c. Total Depreciation	601	0	0				
Bad Debt Provision	0	0	0				
Supplies and Other Expenses	38,482	34,697	33,321				
Total Operating Expenses	117,963	106,469	105,264	116,630	126,773		
Net Income From Operation (includes depreciation)	-25,825	-8,964	-6,547	140	1,445		
Non-Operating Income	0	0	0				
Surplus (or Deficit)	-25,825	-8,964	-6,547	140	1,445		

3. Patient Mix by Sources of Revenue (Report in 000'x)

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
	FY-2022	FY-2023	FY-2024	Year 1	Year 2		
Medicare	43%	34%	32%	25%	25%		
Medicaid	39%	37%	37%	33%	34%		
Blue Cross							
Commercial Insurance	13%	23%	25%	22%	21%		
Self-Pay	1%	2%	2%	2%	2%		
Indigent	0%	0%	0%	0%	0%		
Other	4%	4%	4%	18%	18%		
Total Patient Service Revenue	100%	100%	100%	100%	100%		

J. PROJECTED STAFFING LEVELS

Provide a list of the type, number of Full-Time Equivalents (FTE's) and estimated annual salary of the personnel required to staff the new or expanded facility and identify the source from which you intend to obtain the required personnel (Compute FTE based on 2,080 annual hours per employee.)

Personnel Category		Estimated Annual Salary	Number of FTE's	Sources of Personnel	Additional Personnel To Be Hired
Department	Job Title				
TBD					

L. BED AND SERVICE INVENTORIES

1. Bed Inventory:

Bed Complement	Licensed Beds	C/N Approved But Not Licensed Beds	Proposed New Beds	Proposed Decrease in Beds	Total Beds After Project Completion
Medical/Surgical	**151**				**151**
ICU/CCU	**13**				**13**
Obstetric	**0**				**0**
Pediatric	**0**				**0**
Psychiatric (All categories)	**37**				**37**
Comprehensive Rehabilitation	**0**				**0**
Long Term Care	**0**				**0**
Other:	**0**				**0**

2. Psychiatric Beds by Category:

Bed Category	Existing Beds	Increase	Decrease	Total Beds After Project Completion
Adult Open Acute	**18**			**18**
Adult Closed Acute	**19**			**19**
Adult Closed Acute				
Adult Intermediate	**0**			**0**
Adult Special	**0**			**0**
Adult MICA	**0**			**0**
Adult Geriatric	**0**			**0**
Adult Eating Disorder	**0**			**0**
Child and Adolescent Acute	**0**			**0**
Child and Adolescent Intermediate	**0**			**0**
Undesignated	**0**			**0**
Total	**37**			**37**

3. Service Inventory:

Cardiac Services	Number Existing	C/N Approved But Not Implemented	Total After Project Completion
Cardiac Diagnostic Services - Catheterization Labs - Adult	**0**	**0**	**0**
Cardiac Diagnostic Services - Catheterization Labs - Pediatric	**0**	**0**	**0**
Cardiac Diagnostic Services - E.P.S. Labs	**0**	**0**	**0**
Cardiac Surgery Operating Rooms	**0**	**0**	**0**

Renal Services	Number of Existing Stations	C/N Approved But Not Implemented	Total After Project Completion
Acute Stations	**1**	**0**	**1**
ESRD Chronic Hemodialysis Stations	**0**	**0**	**0**
Peritoneal Stations	**0**	**0**	**0**
Isolation Stations	**0**	**0**	**0**
Training Stations	**0**	**0**	**0**

Surgical Services	Number of Existing Operating Rooms	C/N Approved But Not Implemented	Total After Project Completion
Dedicated Inpatient Operating Rooms	**0**	**0**	**0**
Dedicated SDS	**0**	**0**	**0**
Mixed Inpatient / SDS	**3**	**0**	**3**
Cardiac	**0**	**0**	**0**

Trauma Services
☐ Level I
☐ Level II
☒ None

3. Service Inventory, Continued:

Perinatal Services	Existing	Proposed
Regional Perinatal Center - Normal Newborn Bassinets	0	0
Regional Perinatal Center - Intermediate Neonatal Bassinets	0	0
Regional Perinatal Center - Intensive Neonatal Bassinets	0	0
Community Perinatal Center - Birthing Center Bassinets	0	0
Community Perinatal Center - Normal Bassinets	0	0
Community Perinatal Center - Intermediate Bassinets	0	0
Community Perinatal Center - Intensive Bassinets	0	0
Obstetric Bed Categories - LDR	0	0
Obstetric Bed Categories - LDRP	0	0
Obstetric Bed Categories - Post Partum	0	0

M. PROJECT NARRATIVE

Respond to all statements specified in Section II referenced to the corresponding items in Section II.

N. REQUIRED DOCUMENTS

Submit all required documents specified in Section III referenced to the corresponding items in Section III.

O. ASSURANCES

The applicant gives assurance that the attached statements and tables are complete and correct to the best of the applicant's knowledge and belief.

Name of Responsible Officer	Title
Anthony Degradi	**Member**
Signature	Date
	09-27-2024

	YEAR 1	YEAR 2
	Year 1 Total	Year 2 Total
REVENUES:		
Net Patient Service Revenues	$ 93,095,355	$ 104,543,756
Other operating revenue	$ 900,000	$ 900,000
Charity care	$ 6,910,584	$ 6,910,584
Other subsidies and grants	$ 4,800,000	$ 4,800,000
County option	$ 10,089,972	$ 10,089,972
Other Hospital Service Revenue	$ 973,968	$ 973,968
Total Revenue	**$ 116,769,879.30**	**$ 128,218,279.96**
OPERATING EXPENSES:		
Projected		
Employee Benefits	$ 10,577,456	$ 10,990,140
Grants Expense	$ 708,832	$ 727,097
Insurance	$ 3,726,775	$ 4,185,075
Lease and Rent Expense	$ 4,059,060	$ 4,138,260
Professional Medical Fees	$ 10,801,767	$ 11,702,202
Property Taxes & Other	$ 1,096,848	$ 1,096,848
Repairs and Maintenance	$ 4,441,708	$ 5,441,708
Salaries & Wages	$ 48,187,324	$ 50,109,744
Supplies/Pharmaceuticals	$ 16,382,505	$ 19,930,683
Utilities	$ 1,435,536	$ 1,478,602
Other	$ 13,440,911	$ 14,701,665
Total Operating Expenses	**$ 114,858,722**	**$ 124,502,024**
Other Expenses		
Depreciation and Amortization	$ -	$ -
Interest Expense	$ 1,500,000	$ 1,500,000
Reserve/One-Time/Other	$ 270,833	$ 770,833
Total Expenses	**$ 116,629,555**	**$ 126,772,857**
Net Income	**$ 140,324**	**$ 1,445,423**

TAB III

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE

1. Provide an executive summary of the project.

Introduction

Carewell Health Medical Center ("Hospital") is licensed by the New Jersey Department of Health (State License #10704) as a General Acute Care Hospital. The facility is located at 300 Central Avenue in the City of East Orange in Essex County and is currently owned by EOH Acquisition Group, LLC. This project involves the acquisition of Carewell Health Medical Center by ECR OPCO, LLC. Upon completion of the transfer, the Hospital will continue with the name "Carewell Health Medical Center".

The current licensed bed capacity of Carewell is as follows:

Service	*Beds*
Medical / Surgical beds	*151*
ICU/CCU	*13*
Adult Acute Open Psych beds	*18*
Adult Acute Closed Psych beds	*19*
Total	*201*

In addition to the above noted bed capacity, Carewell is licensed to operate 3 Mixed Operating rooms, 1 Cystoscopy Suite, 1 MRI, and 1 CT. Carewell is designated as a Primary Stroke Center.

Carewell also operates outpatient facilities to provide greater access to services in the community that include:

Family Health Center (License #1167)	*300 Central Avenue East Orange*	*Primary Care*
Physical and Occupational Therapy (License #1280)	*240 Central Avenue East Orange*	*Physical & Occupational Therapy*
Outpatient Behavioral Health (License #700620104)	*240 Central Avenue East Orange*	*Behavioral Health*
Community Support Services (License# 700620148)	*240 Central Avenue East Orange*	*Community Support services*
Laboratory (License # 10704)	*240 Central Avenue East Orange*	*Lab services*

It is anticipated that all services currently offered at Carewell will be continued subsequent to completion of the Transfer of Ownership.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
2. Describe the proposed project in detail and relate it to existing services such as changes in square footage, changes in equipment, deficiencies corrected, effect on length of stay, improved patient care, reduced cost, and improved patient safety.

Project Description

As described above, the current owner of Carewell is EOH Acquisition Group, LLC. This project involves the Transfer of Ownership of Carewell from EOH Acquisition Group, LLC to ECR OPCO, LLC.

As an urban center, Carewell has faced a multitude of challenges to maintaining fiscal solvency for many years. In November 2021, the Department approved a Transfer of Ownership to EOH Acquisition Group, LLC. The Transfer of Ownership was finalized in January 2022. At the time of submission, the sale of the Hospital provided the best opportunity for the residents of the East Orange service area to maintain continued access to necessary health services in their community.

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The Ownership team consists of the following Members:

ECR OPCO, LLC

Feliks Kogan	***48.5%***
Wayne Hatami	***24.25%***

Anthony Degradi ***24.25%***
Gregg Rock, DPM ***3.0%***

<u>Feliks Kogan</u> has over two decades of healthcare management and investment experience and was the architect behind the successful transformation of multiple financially distressed ambulatory surgery centers into highly efficient, well-run organizations in the New York metropolitan area.

Starting around 2012 and 2013, Mr. Kogan began investing in and operating two surgical centers, New Horizon Surgical Center and Manalapan Surgery Center in New Jersey. Within a year under Mr. Kogan's leadership, both facilities were revitalized with impressive patient flow, increased revenues, and improved quality of care through enhanced physician relationships. Additionally, New Horizon became one of the most successful ambulatory centers in North Jersey.

Mr. Kogan simultaneously serves as part of the management team overseeing eight additional high-quality, highly efficient, state-of-the-art ambulatory surgery centers (ASCs) (collectively, "Surgicore") across New York and New Jersey. He also was named Vice President of BMC Hospital LLC (a minority owner of Bayonne Medical Center) where Kogan oversees strategic planning for the organization.

Mr. Kogan is an expert in performance support solutions, workflow improvement, and management.

<u>Wayne Hatami</u> is a successful entrepreneur and health care executive specializing in turning around distressed health care assets.

Mr. Hatami has served as part of the executive team at Surgicore, which now includes over 500 skilled employees and innumerable physician partners. In this role, he has helped invest in state-of-the-art technologies, expand surgical offerings, drive volume, improve patient outcomes, recruit best-in-class physicians, and restore profitability. The company has seen robust expansion under his leadership. He credits the success of his efforts to focusing primarily on quality of care and convenience to patients, and implementing changes and improvements recommended by affiliated physicians.

Additionally, Mr. Hatami serves as President of BMC Hospital, LLC, which acquired a minority ownership in Bayonne Medical Center in 2020. He was also appointed to the Medical Advisory Board of the NFL Alumni Association.

Earlier in his career, Hatami owned and operated a physical therapy facility that later expanded to five locations and became one of the leading physical therapy centers in the New York metropolitan area.

<u>Anthony Degradi</u> is a market expert in healthcare administration and revenue cycle, where he excels at managing large-scale health care organizations, implementing cost efficiencies, and producing value for patients and shareholders.

Mr. Degradi brings more than two decades of valuable management experience and has served in executive leadership roles at Surgicore and BMC Hospital LLC (a minority owner of Bayonne Medical Center). Mr. Degradi has played a vital part in Surgicore's robust growth over the last decade, leading the backend finances and administration across 10 facilities, with now over 500 employees and innumerable physician relationships. He also handles rate negotiations with insurance companies to achieve the best possible care at the lowest cost. In addition, Mr. Degradi worked closely with hospitals throughout the New York Metro area to coordinate the donation of much-needed medical supplies during the unprecedented COVID-19 pandemic.

Early on in his career, Mr. Degradi worked with medical and imaging facilities, eventually building a healthcare management team of over 20 employees.

Dr. Gregg Rock, DPM, is a podiatrist and surgeon practicing in Manhattan for more than 30 years. He is a healthcare investor in New York and New Jersey, owns one of the leading ambulatory surgery centers in midtown Manhattan, and is a founding partner of BMC Hospital LLC (a minority owner of Bayonne Medical Center).

Dr. Rock holds a double certification from the American Board of Podiatric Surgery and the American Board of Podiatric Orthopedics. He is also a Fellow of the American College of Foot and Ankle Surgeons and the American College of Foot and Ankle Orthopedics.

Licensed in New York, he is a graduate of Temple University School of Podiatric Medicine in Philadelphia and completed his residency at Medical Arts Center Hospital in New York. He also earned a B.S. in biology at Rutgers University in New Brunswick, New Jersey.

Since the acquisition of Carewell by EOH Acquisition Group, LLC in January 2022, the Hospital has struggled to meet the financial challenges of the operation and limited access to capital has made continued ownership challenging.

After significant consideration of its alternatives, EOH Acquisition Group, LLC has determined that a sale of the Hospital to ECR OPCO, LLC will strengthen Carewell and will position it to service the health care service needs of the residents of its primary service area in the most optimal manner.

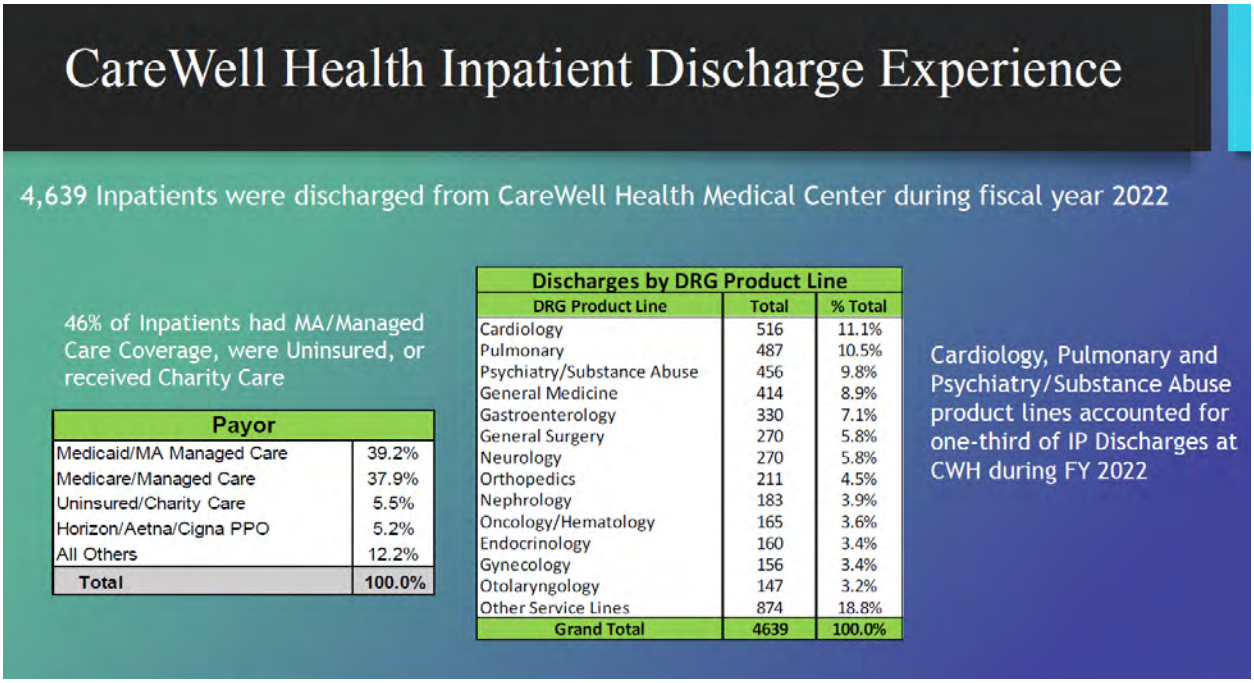
The Carewell's Primary Service area comprise 10 ZIP Codes: 07017;07018;07019; 07050;07051; 07101; 07102; 07103; 07106; and 07111. Market Share data is included in the attachments.

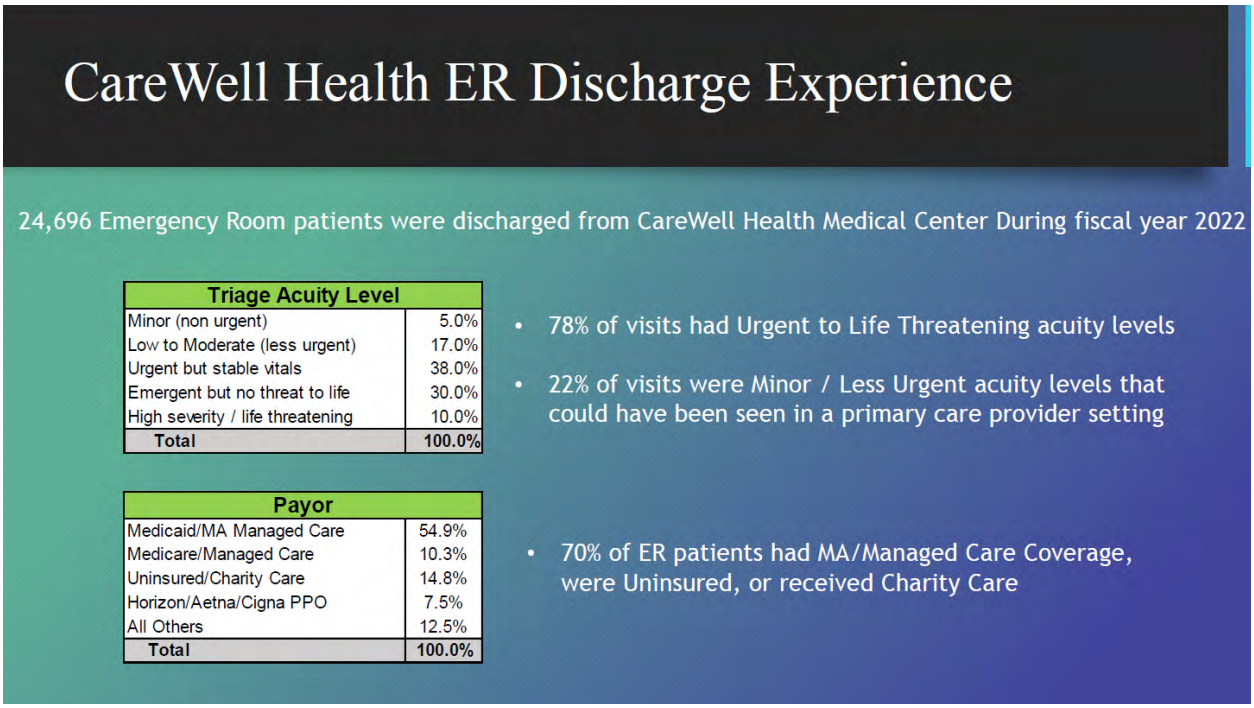
Subsequent to approval of this project, the day-to-day operations of Carewell will continue to be under the direction of ECR Management, LLC. A detailed description of the senior management of ECR Management, LLC is included above.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE

3. In accordance with the Hospital Policy Manual, please provide historical hospital volume data incorporating the last three complete calendar years preceding date of filing the current certificate of need application as well as year to date data for current year.

	2022	*2023*	*2024 YTD*
Admissions	***4,764***	***4,635***	***2,761***
Patients Days	***28,283***	***26,428***	***17,722***
ER Visits	***28,524***	***26,250***	***17,071***
Observation Days	***1,504***	***1,289***	***906***
Observation Cases	***681***	***561***	***421***
Observation Discharges	***665***	***635***	***437***
Average Daily Census	***78***	***72***	***65***





SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
4. Provide an estimate of projected volume in all categories as listed in #3 above for each year inclusive from the date of application to that year which is two complete calendar years beyond estimated project completion.

Please refer to the historical volumes above and in the attachments.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
5. Describe present and anticipated need for the project in the hospital's service area using historical and projected volume data.

This application is limited to a Transfer of Ownership of the existing licensed hospital. Historical volume data is included in the attachments.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
6. List all other institutions in you service area that provide similar services. Indicate the anticipated impact of this project on these other institutions.

The list of area hospitals in the market area are identified below with their number of licensed Medical/Surgical and ICU/CCU capacity:

Hospital	*# of Med/Surg and ICU/CCU beds*
University Hospital	*332 beds*
St. Michael's Medical Center	*317 beds*
Clara Maass Medical Center	*372 beds*
Newark Beth Israel Medical Center	*450 beds*
Cooperman Barnabas Medical Center	*410 beds*
Hackensack UMC Mountainside	*298 beds*
Overlook Medical Center	*402 beds*
Trinitas Regional Medical Center	*292 beds*
RWJ Rahway	*241 beds*
Hackensack University Medical Center	*603 beds*

Since this project is limited to a Transfer of Ownership approval of this project will not have an impact on any of the above noted facilities.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
7. Document the institution's past and current history in providing care to the indigent and how the proposed project will affect the applicant's ability to provide care for the indigent.

	Processed Charity Care Claims	*Bad Debt*
2016	*$3,927,306*	*$4,613,000*
2017	*$4,790,927*	*$5,150,000*
2018	*$3,864,087*	*$7,388,000*
2019	*$4,569,521*	*$6,018,000*
COVID Impact 2020	*$3,518,894*	*$5,506,000*
2021	*$3,252,839*	*
2022	*$3,254,468*	*
2023	*$2,933,052*	*

* FASB 606 adopted in 2021 that eliminated separate bad debt and rolled it all into contractual.

Carewell has been a cornerstone of care for the poor and vulnerable communities of East Orange, Orange, Irvington, Newark, and beyond for nearly 120 years. Carewell is the largest private employer in East Orange, NJ.

As a safety net hospital, Carewell serves the most vulnerable populations of Essex County with 26,000 ED visits, 4,800 inpatient admissions, 1,200 active behavioral health patients (adults and children,) and has expanded its service to care for over 1,000 substance use (addiction) patients each year- all with only 6% of its patients having adequate insurance. Carewell is the 8th highest provider of Charity Care in the State of NJ as a percentage of charity care charges to total.

According to the 2023 Community Health Needs Assessment, Essex County is one of the most racially ethnically diverse Counties in NJ with a large rapidly increasing elderly population, and highly unfavorable Violent Crime and Unintentional Injury statistics. Essex County's experience in access to patient care measures has been identified by the NJ Department of Health as a "Reason for Concern". The NJ Department of Health assigned a "Reason for Concern" rating to 18 public health assessment indicators in Essex County.

In addition to providing impatient and outpatient services to patients who have qualified for charity care, Carewell also provides discounted services for the indigent and poor that may not qualify for Charity Care.

Also, all patients presenting at Carewell are treated without ability to pay consideration. If patients are uninsured, they are screened for both Medicare and Medicaid eligibility and assisted with the respective application process. Patients not qualifying are billed for the services rendered at rates consistent with what Medicaid would have had they been covered.

Carewell uses certified medical interpreters via a technology called Voyce Global as a method of communicating with its non-English speaking patients. Voyce Global allows the Hospital to access real-time medical interpretation in 240+ languages and dialects, 24/7. Voyce connects through an easy-to-use app, delivering instant, accurate VRI/OPI medical interpretation. Voyce's physician-led training defines excellence in medical interpretation, ensuring every interpreter delivers precise and empathetic medical communication for patients, families and staff.

All of these policies will continue to be enforced subsequent to the Transfer of Ownership.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
8. In the case of a reduction, elimination or relocation of a facility service, describe the need that the population presently has for the service; as well as the extent to which that need will be met after the change.

There is no anticipated reduction, elimination, or relocation as a result of the project.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
9. As required in the Hospital Policy Manual, identify alternative approaches to the project which were considered and demonstrate how the option selected most effectively benefits the health care system.

The only available option to the proposed transfer of ownership is the closure of the Hospital.

Closure was considered and determined to be an option of last resort in view of the volume of patient activity at Carewell and the potential impact on patient access to service area residents.

EOH Acquisitions, LLC has been seeking an operating entity to preserve Carewell as an inpatient acute care hospital. As previously stated, Carewell has always been committed to open discussions with any qualified entity that was willing to assume responsibility for the Hospital at the current location in a timely manner. The sale of the Hospital to ECR OPCO, LLC represents the best option for meeting that goal.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
10. Efficient design is encouraged to promote significant life cycle operational cost savings. If the project involves new construction, please identify operational cost savings which may result from such construction.

This project does not involve any new construction.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
11. Indicate the conformance of the proposed project with the appropriate local planning agency plan, if applicable, the State Health Plan, and appropriate State guidelines and regulations.

N.J.S.A. 26:2H-8(a) requires evaluation of the availability of facilities or services which may serve as alternatives or substitutes.

While there are other hospitals within the primary service area of Carewell, Essex County residents would likely experience limitations on access in health care services if Carewell were to close or significantly downsize its outpatient services. The sale of the Hospital to ECR OPCO, LLC will preserve the current level of health care services in the area. There are no plans at this time to downsize beds or services or reduce any service currently provided at Carewell. This project will provide for accessibility and continuity of health care in the Essex County community and will not significantly alter the current relationship with competing hospitals to co-exist or adversely impact the current level of care or services in the area.

In past correspondence, The New Jersey Division of Mental Health and Addictive Services (DMHAS) has stated Carewell provides "extensive and vital mental health services in Essex County, a densely populated county with many service needs." According to DMHAS, there were only three screening service providers in Essex County that were serving an average of approximately 3,500 individuals annually.

In addition, there currently is a lack of resources to serve the population needs since there are few, if any, accessible alternatives and if the services that are currently provided by Carewell were to be eliminated the process [of] reinvestment of these funds would be difficult with no guarantee that all the current services could be replaced or replaced at the same levels of service."

N.J.S.A. 26:2H-8 (b) requires consideration of the need for special equipment and services in the area.

Carewell is a general acute care hospital that does not currently offer special equipment. Carewell does provide mental health and substance abuse services to the community that would not be available to patients in the service area if the hospital were to close.

N.J.S.A. 26:2H-8 (c) requires consideration of possible economies and improvement in services to be anticipated from the operation of joint central services.

As previously described, the current administrative leadership will continue to provide day-to-day management of Carewell. Under the authority of ECR OPCO, LLC the operating model is to have a strong and quality driven hospital; build and support physicians and medical groups through a menu of alignment models around the service area. ECR OPCO, LLC has the ability to effectively and profitably manage risk, capitation, and bundled payments on behalf of the hospital while at the same time delivering a high quality of care. This approach allows managed care plans to focus on marketing; physicians to focus on patient care; and administrative leadership to coordinate medical management that ensures quality and efficiency. The management team will continue to implement its operating model at Carewell subsequent to the Transfer of Ownership.

N.J.S.A 26:2H-8 (d) requires examination of the adequacy of financial resources and sources of present and future revenue.

Based on the commitment of the prospective ownership, ECR OPCO, LLC will provide the necessary financial stability to Carewell at the completion of this project. ECR OPCO, LLC has the necessary access to capital resources to insure continued growth for increased volume, physician participation, and quality services.

N.J.S.A. 26:2H-8 (e) requires consideration of the availability of sufficient manpower in the several professional disciplines.

The prospective owners plan to maintain the existing beds and services presently at Carewell and retain substantially all of the current employees when the change of ownership is completed. ECR OPCO does not anticipate any changes in the current contracts with professional staff subsequent to this change of ownership. There are no plans for the reduction of any of the current workforce or benefits currently available to employees.

N.J.S.A. 26:2H-8 (f) requires consideration of such other factors as may be established by regulation, such as N.J.A.C. 8:33-4.9 and 4.10.

All existing transportation options will continue to be accessible to the residents of the service area subsequent to completion of this project. Area residents and staff have immediate access to all points throughout the service area via NJ Transit's bus, light rail and regional rail lines.

There will be no change in the existing admission policies at Carewell as a result of this project. Patients, including indigent and medically underserved residents, will continue to have access to all existing services at Carewell.

HOSPITAL POLICY MANUAL COMPLIANCE
(Chapter 33A, Certificate of Need: Hospital Policy Manual, expired on December 21, 2003)

8:33A-1.4 Standards regarding minimum size; acute general hospitals (a) The minimum size for an acute general hospital shall be 200 beds.

Carewell is licensed for 201 beds.

8:33A-1.5 Minimum size of obstetrics unit (a) The minimum size of an obstetric service shall be 10 beds.

Carewell does not provide OB services.

8:33A-1.6 Standards regarding minimum size; pediatric services (a) The minimum size of a pediatric unit shall be 6 beds.

Carewell does not have a designated pediatric service.

8:33A-1.7 Limitations on approvals Certificate of Need approval for construction, renovation, or purchase of a facility is limited to the project as contained in the Certificate of Need application. No implicit approval for additional beds, services, or equipment can be inferred from the approval unless specifically defined in the application and expressly approved by the Commissioner.

This project does not involve construction or renovation.

8:33A-1.8 Standards regarding shelled space

Projects proposing shelled space shall not be approved unless the applicant can demonstrate significant cost savings using present value analysis to both the institution and the health care system as well as the future need for the space.

Shelled space is not a component of this project.

8:33A-1.9 Standards regarding occupancy rates

(a) For purposes of review of Certificate of Need applications, the minimum and optimal occupancy rates based upon licensed beds for an acute general hospital, by service category, shall be:

	Minimum
Medical/Surgical	75%
Obstetrics	
LDRP	50%
Postpartum	60%
Pediatrics	
Units of less than 30 beds	50%
Units of 30 and above	60%
ICU/CCU	60%
Psychiatric	70%

(b) The level of excess beds within a hospital shall be that number of licensed beds, which, when deleted from a service, will allow a hospital to achieve minimum occupancy levels as identified in (a) above, for a period of two years beyond the projected completion date of the project, defined as the "target year". Utilization levels for the target year shall be based on a projection method defined at N.J.A.C. 8:33A-1.13(b), applied forward to the target year.

Carewell is below the above target occupancy levels.

8:33A-1.10 Bed Need requirements and Criteria for the addition, expansion, replacement or conversion of beds.

(a) Except as specifically set forth at N.J.A.C. 8:33-3.4 and 6.1(f) and (g), all facilities subject to these rules seeking to add, expand, replace or convert existing beds must obtain certificate of need approval to do so in accordance with the certificate of need review procedures applicable to the particular category of bed need as set forth in N.J.A.C. 8:33. All certificate of need applicants subject to this section should, prior to submitting their applications to the Department, consult with their respective LABs regarding their plans to assure that the projects address community needs. All

applicants shall demonstrate compliance with all applicable standards and criteria of N.J.A.C. 8:33, pertinent licensing and health planning regulations and any outstanding certificate of need or licensure conditions.

(b) In addition to all of the requirements set forth in (a) above, applicants for addition, expansion, replacement or conversion of beds shall also be required to document compliance with the following requirements to the extent they apply to the specific category of bed requests:

1. Applicants for bed expansions must exceed, on average, in the previous 18 months the minimum occupancy rates set forth at N.J.A.C. 8:33A-1.9(a) for the service(s) being proposed for expansion and shall demonstrate that they will achieve and maintain an occupancy rate for the service(s) being expanded of no less than the minimum occupancy rates established for that service identified at N.J.A.C. 8:33A-1.9(a) for the year which is two full facility fiscal years after the year of project completion.

2. Applicants for the replacement of existing acute care beds, shall demonstrate that they will achieve an occupancy rate in the service(s) being replaced of no less than the minimum occupancy rates identified at N.J.A.C. 8:33A-1.9(a) for each of the two years beyond project completion.

3. Applicants for bed additions, where there are other acute care hospitals within the applicant's service area which, during the 18 months preceding the filing of the Certificate of Need application failed to meet the minimum occupancy levels identified at N.J.A.C. 8:33A-1.9 within the service type(s) for which expansion is being requested, must provide evidence that the Board of Directors has undertaken good faith efforts to develop mergers, joint ventures, or other shared service arrangements with the underutilized facility(ies).

(c) Exceptions to (b)1 and 2 above may be considered where:

1. The applicant can demonstrate that there will be a net bed reduction in its hospital service area resulting from cooperative planning with neighboring hospitals; or

2. The applicant can demonstrate additional bed need by documenting rapid changes in demographics or case mix, as well as having evidenced appropriate increases in utilization over the previous 18 months.

(d) Applicants seeking to initiate a new service or services, whether by bed additions, expansions, replacement or conversions, shall document the need for the requested beds by an analysis of empirical evidence which demonstrates that beds for the proposed new service are cost effective, beneficial to patients, will measurably improve accessibility and quality of care, and could not be provided in a less costly setting. This analysis shall include, but shall not necessarily be limited to, consideration of the following factors:

1. Referrals from major referral sources, as reflected in letters of support; and,

2. Projected admissions, patient days, and average length of stay (the bases for these projections must be specifically identified in the application); and

3. Utilization based upon methodologies established by federal, regional, or other health planning authorities.

This application does not involve the addition, expansion, replacement or conversion of beds.

8:33A-1.11 Certificate of Need requirements for necessary capital modernization/renovation projects.

(a) Except as specifically set forth at N.J.A.C. 8:33-3.4 and 6.1, all facilities subject to these rules, seeking to undertake capital modernization/renovation projects as that term is defined above, shall obtain certificate of need approval prior to doing so, in accordance with the applicable certificate of need procedures set forth in N.J.A.C. 8:33. In addition to demonstrating compliance with all applicable standards and criteria of N.J.A.C. 8:33, applicable licensing and planning rules, and outstanding certificate of need or licensure conditions, applicants for certificates of need for capital modernization/renovation shall also meet the following standards and criteria:

1. Utilization standards are as follows:

i. Minimum occupancy rates in each licensed bed category as specified at N.J.A.C. 8:33A-1.9(a) at the conclusion of the project; and

ii. Trends in volume as specified in N.J.A.C. 8:33A-1.10 (admissions, ALOS, and patient days) which indicate occupancy will continue to be above minimum occupancy of remaining licensed beds in each licensed bed category for a period of at least each of the two years beyond completion of the project.

2. Efficient size: A hospital must maintain the minimum size criteria set forth in N.J.A.C. 8:33A-1.4, at the conclusion of the project while maintaining an overall occupancy rate of at least 75 percent. Where it fails to meet this standard, modernization/renovation projects may only be approved where the hospital is geographically isolated, where the application is part of a "joint community application" or where it is part of a hospital merger application as these terms are more specifically defined below:

i. "Geographic isolation" means a lack of another acute care hospital within a 15 mile radius of an applicant hospital, and where at least 40 percent of the residents of the service area utilize the hospital.

ii. An application submitted jointly by all hospitals (or a combination of hospitals constituting a majority of needed beds) within a 15 mile radius of the hospital seeking replacement and/or addition or beds or in a service area as approved by the Department, that accomplishes the following objectives:

(1) Consolidation and regionalization of services in the area, accomplishing the significant reduction of duplicative inpatient, outpatient, therapeutic and diagnostic services and of ancillary and administrative functions between institutions;

(2) Creation of specific operational cost savings;

(3) Establishment of a joint planning committee for the area which includes all hospitals identified in the application, as well as community participates; and

(4) The continuation of essential community-based psychiatric services (for example, STCF, CCIS, designated screening centers).

iii. An application for transfer of ownership between two or more institutions within a 15 mile radius or in a service area as approved by the Department in which all assets are merged under a single corporate entity operated by a single board of trustees, which accomplishes the following objectives:

(1) Reduction of an appropriate level of excess beds within the merged institutions and conversion, closure, or consolidation of unnecessary physical plant areas in a manner achieving cost savings to the system;

(2) Consolidation of duplicative inpatient, outpatient, therapeutic and diagnostic services and ancillary and administrative functions where appropriate to the overall health care needs of the health service area;

(3) Compliance with accessibility standards identified at N.J.A.C. 8:33-2.1: and

(4) The continuation of essential community-based psychiatric services (for example, STCF, CCIS, designated screening centers).

3. The project scope is limited to correction of conditions constituting an imminent hazard to the health and safety of patients and staff, as determined by the Department.

4. Track Records will be evaluated in accordance with the following:

(i) At the time of application for a certificate of need, the applicant hospital or hospital system shall be in substantial compliance with rules and standards contained in the Hospital Licensing Standards, N.J.A.C. 8:43G. In accordance with the provisions of N.J.A.C. 8:33-4.10(e)3, certificate of need applications shall not be approved for hospitals which are not in substantial compliance.

ii. An exception to (a)4i above shall be granted to applicants who are seeking to remedy areas of non-compliance through implementation of the certificate of need.

This project does not involve modernization/renovation projects.

8:33A-1.12 Certificate of Need requirements for capital project components

(a) As referenced at N.J.A.C. 8:33A-1.1(b), capital projects subject to these rules may include distinct components which implicate other certificate of need standards and criteria not specifically set forth herein. A component means any element of the overall project that is associated with the modernization or renovation, expansion, or new construction of an identifiable physical plant area, such as a nursing unit, ancillary department, administrative area, or any structural element of the facility. Each applicant for a capital project subject to these rules shall assess its proposal and determine the extent to which it incorporates such distinct component facilities, equipment or services. For all component parts of the proposed capital project which are not specifically exempted from the requirement of obtaining a certificate of need, the applicant for a capital project subject to this chapter shall also demonstrate compliance with all standards and criteria of N.J.A.C. 8:33, all provisions of the licensing and planning rules, and all outstanding certificate of need or licensure conditions applicable to each distinct component part, specifically including, but not limited to, the following:

1. Approval of components proposing to address modernization/renovation or construction of physical plant areas for needed services and departments may be made where capital expenditures are necessary for:

i. Correcting functional or structural obsolescence; or

ii. Correcting life-safety code A and B violations.

2. The applicant must demonstrate the need for the expansion of total square footage to the hospital's physical plant within any component(s) of the proposed project.

3. Any component(s) of a certificate of need project not demonstrated to be needed as determined by the Department, based on a review of the applicant's physical plant survey evaluated in accordance with N.J.A.C. 8:43, and all other criteria in this chapter, may be denied.

This application does not involve a capital project.

8:33A-1.13 Volume projections

(a) All applications must contain historical volume data and projections of inpatient and outpatient volume for purposes of Certificate of Need review. These must be submitted in a form prescribed by the Department.

1. All data must be consistent with the hospital statistics as reported to the Center for Health Statistics for the New Jersey General Hospital Inpatient Utilization Reports on official SHARE reporting forms, unless the applicant can demonstrate to the Department with verifiable evidence that there are inaccuracies in the statistical information which was reported.

(b) Historical hospital volume data must incorporate the last complete three calendar years preceding the date of filing the Certificate of Need application, as well as year-to-date for the current year, and at a minimum include the following data components:

1. Inpatient admissions by licensed bed category and total hospital;

2. Adjusted admissions by total hospital;

3. Patient days by licensed bed category and total hospital;

4. Outpatient visits by department or service;

5. Emergency room visits;

6. Inpatient surgical cases;

7. Outpatient surgical cases;

8. Same day surgery cases;

9. Same day medical admissions

10. Births

(c) Each application shall provide an estimate of projected volume in all categories as listed in (b) above for each year inclusive from the time of application to that year which is two complete calendar years beyond estimated project completion. This estimate must be based on historical data delineated in (b) above, using at a minimum, a straight-line projection and one or more of the following methodologies:

1. Linear regression modeling;

2. Constant volume;

3. Official county-based-volume projections and market share statistics published by or acceptable to the Department, if available;

4. A methodology chosen by the applicant but in each instance the assumptions utilized in making the projections must be clearly substantiated in the application.

(d) The volume projections must be deemed acceptable to the Department based on conformance to the results of one or more of the methodologies listed in (c) above.

Historical data is included in the attachments.

8:33A-1.14 Standards regarding equity contributions and financing

(a) Financing of hospital construction, modernization/renovation, or equipment projects requires a minimum equity contribution from the hospital of at least 15 percent of total project costs, including all capital costs, all financing and carrying charges, net interest on borrowings during construction, and debt service reserve fund. The Commissioner may reduce the equity requirement for applicants who can demonstrate financial hardship and that the proposed project will primarily serve a medically underserved population, and the applicant hospital has historically demonstrated that it has provided significant levels of charity care for which it has not been reimbursed. This equity requirement may be reduced by one half of one percent for each full percentage point the hospital uncompensated care percentage exceeds the statewide average uncompensated care percentage for acute care hospitals.

(b) All projects involving long-term financing of capital construction costs shall demonstrate use of the least-cost financing reasonably available.

(c) Financing arrangements for construction, expansion, renovation, or purchase of facilities shall not entail debt obligations of greater duration than the expected useful life of the assets financed.

(d) All applicants shall demonstrate the financial feasibility of their projects. An appropriate financial feasibility study shall be submitted for projects in excess of $15 million at the time of application. The study must test the feasibility of the project under reimbursement rules in effect at the time of the application. A project will be determined financially feasible where the applicant can demonstrate a net positive income for the calendar or fiscal years which are two and five years beyond project completion. Financial projections shall be provided for the first five full years after project completion. These projections shall indicate the method of funding any losses incurred during this time period.

(e) All projects will be evaluated based on relative cost considerations in comparison to Statewide norms including capital expense per adjusted admission and total operating expense per adjusted admission.

There are no capital cost, other than the purchase price, associated with this project.

8:33A-1.15 Standards regarding the transfer of services from an acute care hospital

(a) The transfer of a service from one corporation to another, regardless of their relationship, requires a Certificate of Need application in accordance with procedures identified at N.J.A.C. 8:33.

In addition to demonstrating compliance with all applicable standards and criteria of N.J.A.C. 8:33, applicable licensing and planning rules, and outstanding certificate of need or licensure conditions, applicants for certificates of need for the transfer of a service from one entity, person or corporation to another must also demonstrate compliance with the following standards and criteria.

1. Implementation of the proposed transfer of service will not violate any bond, covenant or any loan and security agreement between itself and the New Jersey health Care Facilities Financing Authority or any other financing agency for either the transferring entity or the receiving entity.

2. The transferring entity, person or corporation must guarantee that services which are corporately and/or physically transferred from hospitals to other areas are accessible and available to all persons, independent of their ability to pay, with special attention given to medically underserved groups in the existing hospital service area. The hospital must document that public transportation is available to the aforementioned groups, and if it is not, the hospital must make arrangements to guarantee that transportation will be made available to those individuals.

3. The entity, person, or corporation receiving the new service must comply with the following criteria and conditions:

i. Any service transferred in whole must provide indigent care at the same level as provided for that same service in the two calendar years preceding the submission of the application or at a level commensurate with other hospitals in the area over the preceding two calendar years, or at a level specified as a condition of the certificate of need at the time of issuance, whichever is greater.

ii. Any service transferred in part must, together with the applicant hospital, provide in the aggregate the same level of indigent care as provided for that same service in the two years preceding the application or at a level commensurate with other hospitals in the area over the preceding two years, or at a level specified as a condition of the certificate of need at the time of issuance, whichever is greater.

iii. A quality assurance and review program for the health services proposed for transfer must be provided and it must be documented that such a program will be implemented at the proposed service.

iv. The receiving entity, person or corporation must guarantee that services which are corporately and/or physically transferred from hospitals to other areas are accessible and available to all persons, independent of their ability to pay, with special attention given to medically underserved groups in the existing hospital service area. The hospital must document that public transportation is available to the aforementioned groups, and if it is not, the hospital must make arrangements to guarantee that transportation will be made available to those individuals.

A complete list of all health care facilities owned, operated or managed by any of the members of ECR OPCO LLC are included in the attachments. The day-to-day operations of Carewell will continue to be managed by ECR Management, LLC.

8:33A-1.16 Standards regarding acquisition or replacement of major moveable equipment

(a) Except as specifically set forth at N.J.A.C. 8:33-3.7 and 6.1, the acquisition or replacement of major moveable equipment requires a certificate of need, in accordance with the procedures set forth at N.J.A.C: 8:33. In addition to demonstrating compliance with all applicable standards and criteria of N.J.A.C. 8:33, applicable licensing and planning rules, and outstanding certificate of need or licensure conditions, applicants for the acquisition or replacement of major moveable equipment must also document use of least-cost financing.

(b) Equity contributions to the financing of the project must meet minimum requirements identified at N.J.A.C. 8:33A-1.14(a). In projects proposing both acquisition of major moveable equipment and modernization/renovation, equity contributions must be pro-rated between equipment costs and costs of the remainder of the project.

This project does not involve the addition of major moveable equipment.

8:33A-1.7 Outpatient services

Applicants for any bed-related Certificate of Need must demonstrate the availability of follow-up for all discharged patients and all residents of the service area either through direct provision of such services by the hospital or its physicians, or through formal written linkages with other health care providers in the area.

The application does not involve an expansion of a bed related service.

8:33A-1.18 Standards regarding re-location of hospitals

(a) Proposals for the relocation of or major new construction at an existing hospital by a new corporate entity or for the new construction of an acute care hospital requires certificate of need approval in accordance with the procedures set forth at N.J.A.C. 8:33. In addition to demonstrating compliance with all applicable standards and criteria of N.J.A.C. 8:33-1, applicable licensing and planning rules, and outstanding certificate of need or licensure conditions, applicants for such projects shall also demonstrate compliance with the following standards and criteria:

1. There must be a bed need which complies with standards set forth in N.J.A.C. 8:33A-1.10 in the area of proposed location for all services to be relocated, or a reduction of an appropriate level of excess beds within the relocated facility which will be implemented upon relocation;

2. The applicant must demonstrate that there are sufficient resources (for example, transportation) in the former area to ensure access to care to the former patient population;

3. The proposed site must be accessible to medically undeserved populations in the newly-defined service area in terms of driving time and/or public transportation;

4. All alternatives have been considered and the proposed project is responsive to identified health needs and represents the most cost-effective course of action to meet those needs;

5. The applicant must at a minimum demonstrate long term reductions in costs.

(b) In addition to the requirements referenced in paragraph (a) above, applicants proposing construction of a new hospital shall demonstrate compliance with all of the following:

1. Bed need as specified in N.J.A.C. 8:33A-1.10 in the area has been documented for each proposed service;

2. The hospital at its proposed location must be physically accessible to patients of the defined service area and must provide care to the medically undeserved populations in the proposed location; and

3. All hospitals located within a 25-mile radius of the proposed location shall have occupancy levels which exceed minimum levels as defined in N.J.A.C. 8:33A-1.9 for an average for each year of the previous two calendar years.

This application does not involve the relocation of an acute care hospital.

8:33A-1.19 Standards regarding accessibility

The applicant must demonstrate compliance with all accessibility criteria as identified in N.J.A.C. 8:33.

Carewell has consistently been in compliance with all requirements of N.J.A.C. 8: 33 (See Section 2A-11 above).

8:33A-1.20 Standards regarding transfers of ownership of hospitals

(a) Certificates of need for transfer of ownership interests in acute care hospitals shall be required in accordance with the provisions of N.J.A.C. 8:33-3.3. In reviewing certificate of need applications for transfer or ownership of acute care hospitals, the Department shall consider whether or not the anticipated benefits which are reasonably expected to occur will outweigh any potential disadvantages attributable to any reduction in competition that may result from the implementation of the proposed transfer or ownership. A preponderance of the following benefits should occur as a result of any proposed transfer of ownership between acute care hospitals; improved quality of care; the preservation or expansion of access, particularly by medically indigent or medically underserved

populations; the diffusion of community-based services and the regionalization of tertiary services; the promotion of affordable health care through gains in cost efficiency, improvements in utilization, and reduced duplication of resources and technological advances.

(b) Pursuant to (a) above, applicants for certificates of need to transfer ownership shall, in addition to demonstrating compliance with all N.J.S.A. 26:2H-1 et seq., N.J.A.C. 8:33, all applicable health planning and licensing rules, and outstanding certificate of need conditions, also demonstrate in their application the following standards and criteria;

1. The extent to which the proposed change will improve the response to documented health care needs in the area(s) served by the hospital(s) proposing the change. Documentation shall include a summary of health care needs in the affected market areas as determined by the appropriate Local Advisory Board(s) (LABs), as well as a description of any proposed changes in services designed to meet those needs;

2. The impact that the proposed change will have on consumer access to health care, in particular the effect on access to medically indigent and medically underserved populations. The applicant shall include:

i. A description of the medically indigent and medically underserved populations in the service area, that is, the numbers and percentages of these populations served by each participating institution; and

A complete list of all health care facilities owned, operated or managed by any of the members of ECR OPCO LLC are included in the attachments. The day-to-day operations of Carewell will continue to be managed by ECR Management, LLC.

ii. Analysis and quantification, to the extent possible, of any anticipated impact, whether positive or negative, that the proposal will have on access by consumers, including medically indigent and medically underserved populations, in the affected market areas;

Patients, including indigent and medically underserved residents, will continue to have access to all existing services at Carewell. There should be no impact on access by consumers, including medically indigent and medically underserved populations, in the service area.

3. The extent to which the proposed change will affect the availability, array, and location of health care services at the participating hospitals and within the health care system as a whole, with particular concern for the impact it will have within the markets historically served by the participating hospitals. The applicant shall include:

i. A description of the existing array of services at each of the participating hospitals and any proposed changes to that array of services;

It is anticipated that all of the existing services at Carewell will continue at the completion of this conversion. It is expected that services at the remaining centers in the region will be unchanged.

ii. A description of the geographic location of the hospitals in relation to one another and descriptions of any services located away from the main hospital campus;

The hospitals in the regional area, with distance and time travel from Carewell, is as follows:

Hospital	***Distance from Carewell***	***Travel Time***
University Hospital	***1.8 miles***	***9 minutes***
St. Michael's Medical Center	***2.2 miles***	***10 minutes***
Clara Maass Medical Center	***3.7 miles***	***13 minutes***
Newark Beth Israel Medical Center	***4.2 miles***	***13 minutes***
Cooperman Barnabas Medical Center	***6.2 miles***	***20 minutes***
Hackensack UMC Mountainside	***7.7 miles***	***20 minutes***
Overlook Medical Center	***10.4 miles***	***19 minutes***
Trinitas Regional Medical Center	***11.1 miles***	***23 minutes***
RWJ Rahway	***12.1 miles***	***20 minutes***
Hackensack University Medical Center	***17.4 miles***	***25 minutes***

iii. A description of existing physician referral patterns for all participating hospitals; and

iv. A discussion of any changes in costs of services to consumers that are anticipated as a result of this proposal;

Physician referral patterns will not be impacted as a result of this project.

4. The extent to which cost efficiencies will be effected and will result in significant net operational savings. The applicant shall include:

i. A description of any services or administrative functions which will be eliminated or modified as a result of the proposed change; and

ii. A quantification, to the extent possible, of the savings to the participating hospitals and the health care system as a whole that are anticipated as a result of the proposed change;

Not applicable

5. A reduction of all excess bed capacity, as determined under the standards at N.J.A.C. 8:33A-1.9, which will result for all participating hospitals through decertification or conversion of acute care beds;

Not applicable

6. The extent to which duplication of services will be eliminated where appropriate;

7. The extent to which the proposed change will have an adverse economic or financial impact on the delivery of health care services in the region or Statewide;

Not applicable

8. The extent to which the proposed change is likely to result in any reduction in competition and the extent to which any reduction in competition is necessary to achieve the benefits that can be expected from the proposed change. The applicant shall include:

i. A description of the geographic areas presently being served by each participating hospital, including the market share percentages served by each hospital in each area;

ii. A description of the impact on each hospital's market share anticipated as a result of the proposed change;

iii. A description of the impact on each hospital's physician referral patterns; and

Detailed Market Share data is included in the attachments.

iv. A description of the market formed as a result of the proposed change, that is, the redefined service area(s) and the percentage market share(s) of the newly formed hospital system within that redefined service area; and

The Carewell service area will remain unchanged as a result of this project.

9. The extent of any change in financial status for the parties involved in the transfer of ownership. The applicant shall include:

i. Audited financial statements for the two most recent years, and projected financial statements for the current year and following four years. Financial statements shall include a delineation of any cost savings which are expected to occur as a result of the transfer of ownership; and

ii. A description of project costs and an independently verified purchase price when appropriate. Compliance with the requirements of N.J.A.C. 8:33A-1.16 equity contributions and financing shall be demonstrated.

Not applicable

8:33A-1.21 Closure of services

A Certificate of Need may be awarded for the closure of a service except where the applicant fails to demonstrate compliance with Specific Criteria for Review contained in N.J.A.C. 8:33, and other applicable requirements of these rules.

This project does not involve the closure of the hospital.

8:33A-1.22 Decertification of unused beds

(a) Pursuant to the Health Care Cost Reduction Act (N.J.S.A. 26:2H-12d), the Commissioner may amend a facility's license to reduce the facility's licensed bed capacity to reflect actual utilization at the facility. This authority may be exercised if the Commissioner determines that 10 or more licensed beds in the health care facility have not been used for at least the last two succeeding years. For purposes of this rule, the Commissioner may review hospital utilization from January 1, 1990.

(b) In determining if licensed beds have been unused, the Commissioner may employ the minimum occupancy rates identified at N.J.A.C. 8:33A-1.11(a), and reduce licensed beds to a number which would permit conformance with these minimum occupancy rates.

N / A

8:33A-1.23 Hospital physical plant survey

(a) Certificate of Need applications shall not be accepted by the Department from any hospital which is subject to these rules, unless such hospital has filed a complete physical plant survey or update with the Department at least 60 days prior to filing the application.

(b) Each hospital that is approved (either through the Certificate of Need process or through construction plans review) for any modernization, renovation, construction or expansion project shall provide an update of the hospital physical plant survey to the Division of Health Facilities Evaluation and Licensing. This update shall be provided in a format prescribed by the Division of Health Facilities Evaluation and Licensing and shall be submitted within 60 days of project completion.

This project does not involve any change to the physical plant at this time.

8:33A-1.24 Surgical Facilities

(a) In addition to demonstrating compliance with all applicable standards and criteria of N.J.A.C. 8:33, applicable licensing and planning rules and outstanding certificate of need conditions, applicants proposing addition, deletion or alteration of hospital-based operating rooms, surgical facilities and services shall follow the certificate of need requirements identified at N.J.A.C. 8:33-4.1(a). These rules shall not apply to the provision of cardiac surgical services or any other special surgical service which is the subject of a separate Department of Health planning regulation. Applications for additions, deletions, or alteration of operating rooms and surgical facilities shall be accepted in accordance with policies and procedures of the full certificate of need review process set forth in N.J.A.C. 8:33.

(b) Information provided by all applicants for inpatient operating rooms shall include the following:

1. The expected number of recovery beds and/or recliners;

2. The total expected number of surgical cases, by each type of surgery;

3. The expected payor percentage; and

4. A detailed description of the proposed service area, accompanied by a legible map which includes a distance scale and physical relationship to other existing surgical services within the proposed service area and immediately bordering the area. The rationale justifying the delineation of the service area chosen by the applicant shall be included, with supporting quantifiable evidence. The Department shall determine the reasonableness of the defined service area, using existing market share and patient origin date.

(c) For the purposes of certificate of need review, the capacity of each type of licensed inpatient/mixed operating room (OR) shall be calculated as follows:

1. Dedicated inpatient OR = 1,000 surgical cases annually;

2. Mixed (inpatient/same day surgery) OR = 1,090 surgical cases annually; and

3. Dedicated SDS OR = 1,500 surgical cases annually.

(d) Where all other criteria of this section are met, no application for a new inpatient/mixed surgical service, or increase in the number of operating rooms in an existing surgical service, shall be approved unless all of the following conditions are met:

1. The applicant has documented that its existing surgical caseload exceeds the capacity of its licensed operating rooms for the past 12 months prior to the submission of this certificate of need applications;

2. The applicant has agreed, as part of the application, to limit the proposed addition of operating room capacity to that number of operating rooms necessary to reduce its surgical case utilization level to 80 percent of its operating room capacity at the time the application is submitted; and

3. The applicant has documented that sufficient access to alternative surgical providers that share the service area is not readily available.

(e) Applicants seeking to replace their existing inpatient/mixed operating rooms shall document that existing annual surgical caseload, during the year immediately prior to the submission of the application, exceeds 75 percent of the hospital's surgical capacity, using the capacity levels specified at (c)1 through 3 above.

(f) An ambulatory surgery facility shall comply with the State Uniform Construction Code, at N.J.A.C. 5:23-3 and the Department's licensing requirements.

(g) A post anesthesia care unit shall comply with the State Uniform Construction Code, at N.J.A.C. 5:23-3 and the Department's licensing requirements.

(h) Hospitals may submit applications for dedicated SDS operating rooms, either freestanding or within the hospital, as an expedited CN review and in accordance with criteria identified at N.J.A.C. 8:33-5.1 and 5.3(a)4. These facilities shall also comply with Standards for Licensure of Ambulatory Care Facilities at N.J.A.C. 8:43A.

This project does not involve the establishment or alteration of existing operating rooms.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
12. Attach a map of your patient service area including the location of your institution. Identify major service areas based on patient origin studies for inpatients and/or outpatients.

A service area map is included in the attachments.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
13. Provide a breakdown of total project costs into costs associated with each programmatic or functional component.

N/A

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
14. The certificate of need criteria identified in NJAC 8:33-4.9 and NJAC 8:33-4.10 must be addressed.

All existing transportation options will continue to be accessible to the residents of the service area subsequent to the closure. Area residents have immediate access to all points throughout the service area via NJ Transit's bus, light rail and regional rail lines.

Existing admission policies at Carewell will remain unchanged as a result of this project. Patients, including indigent and medically underserved residents, will continue to have access to all existing services at Carewell.

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
15. Identify all previously approved certificates of need which have not been completed and indicate the current status of each project.

None

SECTION II. A. DESCRIPTION / PROJECT NARRATIVE
16. Identify any conditions of certificate of need approval which have not been met and explain.

All previous conditions of approval have been met.

2. CONSTRUCTION REQUIREMENTS

No construction or renovations are involved in this project.

3.A. LICENSING REQUIREMENTS One Hundred percent of the ownership and operation of the proposed facility, service or equipment must be accounted for in the Certificate of Need application.

Please refer to the project description.

3.b CERTIFICATE OF NEED REQUIREMENTS An applicant must document in the application that he owns the site where the facility will be located, or has an ownership or lease option for such site, which option is valid at least through the Certificate of Need processing period. A duly executed copy of the deed, option or lease agreement for the site must be submitted with the certificate of need application and include identification of site, terms of agreement, date of execution and signature of all parties to the transaction. If the site is optioned or leased by the applicant, a copy of the deed held by the current owner is required at the time of filing.

N/A

Describe the existing physical plant of the hospital including square footage, plant age, or existing waivers.

There will be no changes to the physical plant as a result of this project.

TAB IV

NEW JERSEY DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES

CERTIFICATE OF FORMATION

ECR OPCO, LLC
0451150217

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 07/09/2024 and was assigned identification number 0451150217. Following are the articles that constitute its original certificate.

1. **Name:**
   ECR OPCO, LLC
2. **Registered Agent:**
   GARY HERSCHMAN, ESQ. C/O EPSTEIN BECKER & GREEN
3. **Registered Office:**
   ONE GATEWAY CENTER
   SUITE 1300
   NEWARK, NEW JERSEY 07102
4. **Business Purpose:**
   ANY LEGAL OR LAWFUL PURPOSE
5. **Duration:**
   PERPETUAL
6. **Effective Date of this Filing is:**
   07/09/2024
7. **Members/Managers:**
   FELIKS KOGAN
   157 W 57TH STREET
   53B
   NEW YORK, NEW YORK 10019

Additional Articles/Provisions:

8. THE LLC IS TO BE MANAGED BY ONE OR MORE MANAGERS

Signatures:

FELIKS KOGAN
AUTHORIZED REPRESENTATIVE

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal 9th day of July, 2024

Elizabeth Maher Muoio
State Treasurer

Certificate Number : 4248756880
Verify this certificate online at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 07-31-2024

Employer Identification Number:
99-4229796

Form: SS-4

Number of this notice: CP 575 B

ECR OPCO LLC
FELIKS A KOGAN MBR
505 PARK AVE STE 1700
NEW YORK, NY 10022

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 99-4229796. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Taxpayers request an EIN for their business. Some taxpayers receive CP575 notices when another person has stolen their identity and are opening a business using their information. If you did **not** apply for this EIN, please contact us at the phone number or address listed on the top of this notice.

When filing tax documents, making payments, or replying to any related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear-off stub and return it to us.

Based on the information received from you or your representative, you must file the following forms by the dates shown.

Form 1065	03/15/2025

If you have questions about the forms or the due dates shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification (corporation, partnership, estate, trust, EPMF, etc.) based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2020-1, 2020-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

TAB V

Post-Closing Ownership

ECR OPCO, LLC	Licensed Operator	Feliks Kogan Wayne Hatami Anthony Degradi Gregg Rock, DPM	48.50% 24.25% 24.25% 3%
Essex County Realty	Holds Real Estate Interest (90%)	Feliks Kogan Wayne Hatami Anthony Degradi Gregg Rock, DPM	48.50% 24.25% 24.25% 3%
ECR Management, LLC	Management Services and Operating Control	Feliks Kogan Wayne Hatami Anthony Degradi Gregg Rock, DPM	48.50% 24.25% 24.25% 3%
ECR BONDCO, LLC	Purchase of 90% of RE Bond	Feliks Kogan Wayne Hatami Anthony Degradi Gregg Rock, DPM	48.50% 24.25% 24.25% 3%
EOGH Investor, LLC	Purchaser of initial 9% of existing Hospital Operating Company	Feliks Kogan Wayne Hatami Anthony Degradi Gregg Rock, DPM	48.50% 24.25% 24.25% 3%

TAB VI

RELATED OWNERSHIP

WAYNE HATAMI

Ownership From	Ownership To	Business Name	Description
12/2017	Present	Fifth Avenue Surgery Center, LLC *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
11/2017	Present	All City Family Healthcare Center, Inc.	ambulatory surgical center
11/2019	Present	Bronx SC, LLC d/b/a Empire State Ambulatory Surgery Center *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
11/2019	Present	NYEEQASC, LLC d/b/a North Queens Surgical Center *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
2/2018	Present	Surgicore Management Inc.	administrative services provider
5/2019	Present	Surgicore Management NY LLC	administrative services provider
2/2020	Present	Surgicore Far Rockaway LLC	administrative services provider
3/2020	Present	BMC Hospital LLC	holding company organized to acquire interest in hospital
4/2021	Present	Surgicore Suffolk, LLC *(indirectly via Surgicore Eastern Long Island LLC)*	ambulatory surgical center under development (via holding company)
4/2022	Present	Palm Beach Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)

6/2022	Present	Miami Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
11/2022	Present	Hollywood Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
3/2023	Present	Muhlenberg ASC, LLC *(indirectly via Surgicore Management Inc.)*	ambulatory surgical center (via holding company)

MARY HATAMI (SPOUSE OF WAYNE HATAMI)

Ownership From	Ownership To	Business Name	Description
2/2012	Present	New Horizon Surgical Center LLC *(indirectly via BDP Ventures, Inc.)*	ambulatory surgical center (via holding company)
2/2016	Present	Surgicore, LLC *(indirectly via MEH Investment, LLC)*	ambulatory surgical center (via holding company)
9/2016	Present	Surgicore of Jersey City LLC *(indirectly via MEH Investment, LLC)*	ambulatory surgical center (via holding company)
11/2017	Present	All City Family Healthcare Center, Inc.	ambulatory surgical center
3/2020	Present	Rockland and Bergen Surgery Center LLC *(indirectly via Surgicore RBSC, LLC)*	ambulatory surgical center (via holding company)

RELATED OWNERSHIP

FELIKS KOGAN

Ownership From	Ownership To	Business Name	Description
12/2017	Present	Fifth Avenue Surgery Center, LLC *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
11/2017	Present	All City Family Healthcare Center, Inc.	ambulatory surgical center
11/2019	Present	Bronx SC, LLC d/b/a Empire State Ambulatory Surgery Center *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
11/2019	Present	NYEEQASC, LLC d/b/a North Queens Surgical Center *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
9/2016	Present	Surgicore of Jersey City LLC *(indirectly via FLBD Management LLC)*	ambulatory surgical center (via holding company)
2/2016	Present	Surgicore, LLC *(indirectly via FLBD Management LLC)*	ambulatory surgical center (via holding company)
2/2012	Present	Manalapan Surgery Center, Inc.	ambulatory surgical center
3/2020	Present	Rockland and Bergen Surgery Center LLC *(indirectly via Surgicore RBSC, LLC)*	ambulatory surgical center (via holding company)
2/2018	Present	Surgicore Management Inc.	administrative services provider
5/2019	Present	Surgicore Management NY LLC	administrative services provider
2/2020	Present	Surgicore Far Rockaway LLC	administrative services provider

3/2020	Present	BMC Hospital LLC	holding company organized to acquire interest in hospital
4/2021	Present	Surgicore Suffolk, LLC *(indirectly via Surgicore Eastern Long Island LLC)*	ambulatory surgical center under development (via holding company)
4/2022	Present	Palm Beach Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
6/2022	Present	Miami Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
11/2022	Present	Hollywood Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
3/2023	Present	Muhlenberg ASC, LLC *(indirectly via Surgicore Management Inc.)*	ambulatory surgical center (via holding company)

BEATA KOGAN (SPOUSE OF FELIKS KOGAN)

Ownership From	Ownership To	Business Name	Description
2/2012	Present	New Horizon Surgical Center LLC *(indirectly via ASAR Healthcare LLC)*	ambulatory surgical center (via holding company)
11/2017	Present	All City Family Healthcare Center, Inc.	ambulatory surgical center

RELATED OWNERSHIP

ANTHONY DEGRADI

Ownership From	Ownership To	Business Name	Description
12/2017	Present	Fifth Avenue Surgery Center, LLC *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
11/2017	Present	All City Family Healthcare Center, Inc.	ambulatory surgical center
11/2019	Present	Bronx SC, LLC d/b/a Empire State Ambulatory Surgery Center *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
11/2019	Present	NYEEQASC, LLC d/b/a North Queens Surgical Center *(indirectly via Surgicore 5th Avenue LLC)*	ambulatory surgical center (via holding company)
9/2016	Present	Surgicore of Jersey City LLC *(indirectly via Four D Investment, Inc.)*	ambulatory surgical center (via holding company)
2/2016	Present	Surgicore, LLC *(indirectly via Four D Investment, Inc.)*	ambulatory surgical center (via holding company)
3/2020	Present	Rockland and Bergen Surgery Center LLC *(indirectly via Surgicore RBSC, LLC)*	ambulatory surgical center (via holding company)
2/2012	Present	New Horizon Surgical Center LLC *(indirectly via Main Street Medical Management Inc.)*	ambulatory surgical center (via holding company)
2/2018	Present	Surgicore Management Inc.	administrative services provider
5/2019	Present	Surgicore Management NY LLC	administrative services provider

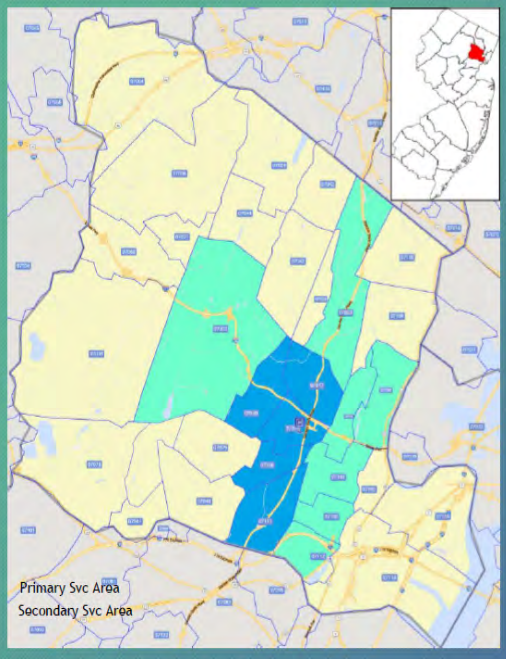
2/2020	Present	Surgicore Far Rockaway LLC	administrative services provider
3/2020	Present	BMC Hospital LLC	holding company organized to acquire interest in hospital
4/2021	Present	Surgicore Suffolk, LLC *(indirectly via Surgicore Eastern Long Island LLC)*	ambulatory surgical center under development (via holding company)
4/2022	Present	Palm Beach Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
6/2022	Present	Miami Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
11/2022	Present	Hollywood Regional Opco, LLC *(indirectly via SCFASC Holdco LLC)*	ambulatory surgical center (via holding company)
3/2023	Present	Muhlenberg ASC, LLC *(indirectly via Surgicore Management Inc.)*	ambulatory surgical center (via holding company)

KRISTEN DEGRADI (SPOUSE OF ANTHONY DEGRADI)

Ownership From	Ownership To	Business Name	Description
11/2017	Present	All City Family Healthcare Center, Inc.	ambulatory surgical center

TAB VII

Area Served by CareWell Health



Zip Codes Served in Essex County, NJ

ZIP Code	City	Population	ZIP Code	City	Population
07003	Bloomfield	47,312	07068	Roseland	5,819
07004	Fairfield	7,440	07078	Short Hills	13,250
07006	Caldwell	24,812	07079	South Orange	16,316
07009	Cedar Grove	12,411	07102	Newark	12,579
07017	East Orange	35,945	07103	Newark	32,698
07018	East Orange	28,322	07104	Newark	50,478
07021	Essex Fells	2,091	07105	Newark	46,983
07028	Glen Ridge	7,618	07106	Newark	31,298
07039	Livingston	29,358	07107	Newark	37,650
07040	Maplewood	23,876	07108	Newark	24,386
07041	Millburn	6,868	07109	Belleville	35,897
07042	Montclair	25,599	07110	Nutley	28,351
07043	Montclair	12,138	07111	Irvington	53,942
07044	Verona	13,584	07112	Newark	26,417
07050	Orange	30,074	07114	Newark	14,748
07052	West Orange	46,182			

https://www.zip-codes.com/county/nj-essex.asp

TAB VIII

Current Population by Age Group

Essex County's population grew 8.1 % between 2015 and 2021 in comparison to 4.5% for New Jersey and 3.5% for the U.S. Among the four identified age groups, the 65+ age group was the fastest growing between 2015 and 2021 with its population increasing 18.1%. County population is expected to grow by 2.1% over the next five years.

Current Population by Age Group

	2015			2021			Percent Change		
Age Group	Female	Male	Total	Female	Male	Total	Female	Male	Total
0-19	102578	106604	209182	108959	114034	222993	6.2%	7.0%	6.6%
20-44	138101	132663	270764	146622	141380	288002	6.2%	6.6%	6.4%
45-64	109188	99164	208352	114561	108344	222905	4.9%	9.3%	7.0%
65+	60681	41747	102428	70316	50701	121017	15.9%	21.4%	18.1%
Total Essex Co.	410548	380178	790726	440458	414459	854917	7.3%	9.0%	8.1%

Source: U.S. Census Bureau

Race/Ethnicity

In 2021, the largest racial or ethnic group in Essex County was Black/African with 38.0%, followed by White with 29.8%. Between 2015 and 2021, the share of Hispanic/Latino had the most growth increasing by 32,244 from175,501 in 2015 to 207,745 in 2021.

Current Population by Race/Ethnicity

Race/Ethnicity	2015		2021		Percent Change
	Number	% Total	Number	% Total	
Black/African American	309,103	39.1%	324,868	38.0%	5.1%
White	252,184	31.9%	254,765	29.8%	1.0%
Hispanic/Latino	175,501	22.2%	207,745	24.3%	18.4%
Asian/Pacific Islander	41,108	5.2%	52,150	6.1%	26.9%
Two Races	11,068	1.4%	13,679	1.6%	23.6%
Other	1,581	0.2%	1,710	0.2%	8.1%
Total Essex Co.	**790,546**	**100.0%**	**854,917**	**100.0%**	**8.1%**

Source: U.S. Census Bureau

Health Status, Risk Factors, and Behaviors

Based on comparison of reported county values by health assessment indicator to overall State values, the *NJ Department of Health assigned a "Reason for Concern" rating to 18 public heath assessment indicators in Essex County.*

Mortality Assessment	Essex Co.	N.J.
Heart Disease	109.3	99.5
Diabetes	25.0	18.2
Septicemia	23.3	17.3
Prostate Cancer	19.6	16.2
Kidney Disease	16.6	14.3
Colorectal Cancer	14.2	12.6
Homicide	13.3	4.1
Influenza & Pneumonia	13.1	11.7
Firearm-Related	12.3	5.3
HIV Mortality	6.3	1.8

Other Public Health Values	Essex Co.	N.J.
Life Expectancy at Birth	75.0	77.7
Lack of Health Insurance	12.0	9.3
At Least One Primary Provider	73.6	80.3
Teen Birth Rate	6.7	4.1
Low Birth Weight	9.3	7.7
Infant Mortality	5.7	4.3
First Trimester Prenatal Care	66.2	75.5
Prostate Cancer Incidence	157.5	134.5

Education

8

According to U.S. Census statistics, Essex County residents ages 25 years and older are less likely to have some College, an Associates Degree or higher compared to residents of New Jersey or the U.S.

Highest education level by persons 25 years and older, 2020			
	Essex County	New Jersey	United States
Less than a high school degree	14.7%	10.9%	12.6%
High school degree or equivalency	28.4%	27.9%	27.3%
Some college	17.1%	16.6%	20.8%
Associates Degree	5.7%	6.5%	8.3%
Bachelor's degree	20.6%	23.4%	19.2%
Graduate or professional degree	13.5%	14.7%	11.8%

Source: U.S. Census Bureau

Access to Care

Health insurance coverage is strongly associated with access to health care services, particularly preventive and primary care. The uninsured are significantly more likely to be in fair or poor health, to have unmet medical or surgical care needs, not to have had a recent physician or other health professional visit, and to lack satisfaction in quality of care received.

In most cases a personal doctor can effectively and efficiently manage a patient's medical care because they understand that person's medical history and social background. Having a regular source of health care is also an indicator of overall access to care.

Women who receive early and consistent prenatal care (PNC) increase their likelihood of giving birth to a healthy child. Health care providers recommend that women begin prenatal care in the first trimester of their pregnancy.

Essex County's experience in the three following access to care measures have been identified as "Reasons for Concern" by the NJ Department of Health.

Health Coverage Rates			
	Essex County	New Jersey	United States
Lack of Health Insurance *	12.0	9.3	10.8
First Trimester Prenatal Care **	66.2	75.5	76.1
At least One Primary Provider *	73.6	80.3	NA

* Percent of residents

** Percent of live births

TAB IX

ASSET PURCHASE AGREEMENT

by and between

ECR OPCO, LLC

EOH ACQUISITION GROUP, LLC,
D/B/A CAREWELL HEALTH MEDICAL CENTER

Dated as of August 19, 2024

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of August 19, 2024 (the "Execution Date"), by and between ECR OPCO, LLC, a New Jersey limited liability company ("Buyer"), and EOH ACQUISITION GROUP, LLC, D/B/A CAREWELL HEALTH MEDICAL CENTER, a Delaware limited liability company ("Seller"). Seller and Buyer are each a "Party" and, collectively, the "Parties".

RECITALS

WHEREAS, Seller owns and operates a hospital facility, named "CareWell Health Medical Center" located at 300 Central Avenue, East Orange, New Jersey 07018, which provides a full range of inpatient and outpatient medical and surgical services (collectively, the "Hospital");

WHEREAS, Buyer desires to acquire substantially all of the assets of Seller and to assume certain liabilities of Seller, each as pertaining to the Hospital, and Seller desires to sell and assign to Buyer, on the terms and subject to the conditions of this Agreement, such assets and liabilities; and

WHEREAS, pending the closing of the above-described purchase and sale of assets of Seller by Buyer, the Parties desire to enter into an Interim Management Agreement as of the date hereof, pursuant to which Buyer's Affiliate, ECR Management, LLC shall provide certain administrative and management services to the Hospital in the form attached hereto as Exhibit B (the "Interim Management Agreement");

WHEREAS, (i) Seller's Affiliate, EOH Real Estate Holdings, LLC, a Delaware limited liability company ("EREH") is the sole member of EOGH Hospital Properties Urban Renewal, LLC, a New Jersey limited liability company, an urban renewal entity pursuant to N.J.S.A. 40A:20-1 et seq. ("EHPUR") that owns the real property at which the Hospital is located, as well as certain other real property surrounding the Hospital; and (ii) Seller's Affiliate, EOH Medical Holdings, Inc, a Delaware corporation ("EMG") is the registered owner of the bond issued in connection with the tax abatement with respect to the real property owned by EHPUR;

WHEREAS, it is anticipated that immediately following the execution of this Agreement, (i) Buyer's Affiliate EOGH Investor, LLC, a New Jersey limited liability company ("EOGH Investor") will consummate a transaction to acquire a 9.9% interest in Seller pursuant to the terms of a Securities Purchase Agreement between EOGH Investor and Seller, dated as of the date hereof (the "Investor SPA"); and (ii) Buyer's Affiliates, Essex County Realty, LLC, a New Jersey limited liability company ("ECR Propco") and ECR Bondco, LLC, a New Jersey limited liability company ("ECR Bondco"), will consummate a transaction to acquire a 90% equity interest in each of EREH and EMG pursuant to the terms of a Securities Purchase Agreement between ECR Propco, ECR Bondco, EREH and EMG, dated as of the date hereof (the "EREH/EMG SPA").

NOW, THEREFORE, for and in consideration of the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 Definitions. The capitalized terms in this Agreement shall have the meanings ascribed to them in the Preamble and in Exhibit A.

1.2 Interpretation. In this Agreement, unless the context otherwise requires:

(a) references to this Agreement are references to this Agreement and to the Exhibits and Schedules hereof, and references to Articles, Exhibits, Recitals, Sections or Schedules are references to the Articles, Exhibits, Recitals, Sections or Schedules of this Agreement;

(b) the terms "including", or "include" shall all be interpreted to read, "including, without limitation";

(c) references to any Person shall include references to such Person and their respective successors and permitted assigns;

(d) the terms "hereof", "herein", "hereby", and derivative or similar words will refer to this entire Agreement;

(e) references to any document (including this Agreement) are references to that document as amended, modified, supplemented, extended or renewed by the Parties from time to time, in the manner provided therein (or herein);

(f) references to any law, rule or regulation include such law, rule or regulation as amended, restated, supplemented, superseded or otherwise modified from time to time, unless otherwise specified;

(g) the gender of all words herein include the masculine, feminine and neuter, and the number of all words herein include the singular and plural; and

(h) the terms "date hereof" and "date of this Agreement" and similar terms shall mean the date set forth in the opening paragraph of this Agreement.

ARTICLE II
TRANSFER OF ASSETS; ASSUMPTION OF LIABILITIES

2.1 Transfer of Seller's Assets. Upon the terms and subject to the conditions set forth in this Agreement, effective as of the Closing, Seller shall assign, transfer, convey and deliver to Buyer, free and clear of all Encumbrances, except for Permitted Exceptions and Assumed Liabilities, all of Seller's right, title and interest in and to all assets of every kind, character or description, whether real, personal or mixed, tangible or intangible (other than the Excluded Assets), owned, leased or licensed by Seller on the Closing Date that are held for use or used in the Business (collectively, the "Purchased Assets"), including but not limited to:

(a) the leasehold interests in and to any and all real property that is leased, subleased or licensed to Seller by another Person (whether an Affiliate or otherwise) as of the Closing Date (collectively, the "Assumed Leases");

(b) the equipment, medical equipment, fixtures, machinery, computer hardware and other data processing equipment, vehicles, office furnishings, leasehold improvements and other tangible personal properties owned or held by (the "Personal Property");

(c) all Inventory;

(d) all documents, records, operating manuals and files with respect to the operation of the Hospital, including all financial, billing, patient, medical, accreditation, public program participation, business, operational, quality assurance, credentialing, peer review, facilities and systems maintenance, real property, educational, marketing and other records, Architectural Plans, structure or system drawings, manuals and materials (in paper, electronic or other form) and on-site regulatory compliance records;

(e) the Contracts of Seller, as of the Closing Date (collectively, the "Assumed Contracts"), (which Assumed Contracts shall include Seller's Medicare and Medicaid provider agreements and associated provider numbers (the "Provider Agreements") and Contracts with Private Health Plans);

(f) to the extent transferable, all Permits, Environmental Permits and Approvals issued or granted to Seller by or pending before Governmental Entities and accreditations/certifications issued to the Hospital by accrediting bodies;

(g) all Intellectual Property;

(h) all advance payments, prepayments or prepaid expenses made by Seller;

(i) all rights in all warranties of any vendor or manufacturer in connection with the Personal Property and all rights to enforce covenants not to compete with respect to the Business;

(j) all insurance proceeds (after application of deductibles or co-insurance payments) arising in connection with property damage to the Purchased Assets;

(k) general intangible rights of the Business, including goodwill;

(l) all files and records relating to the Transferred Employees of the Hospital, including those regarding work history, benefits and pensions, as well as such policies, manuals and similar materials as are reasonably necessary for Buyer to address personnel, benefits or other issues, or resolve disputes, regarding such Transferred Employees;

(m) all websites, email addresses, URLs, domain names, social media accounts and telephone and fax numbers of the Hospital Business;

(n) any rights of Seller to receive, or any expectancy of Seller in, any state or federal grants or subsidies, allocation payments or other reimbursement pool;

(o) all software, licenses and information systems;

(p) any rebates paid or payable in respect to the period prior to Closing under or in respect of any group purchasing organization agreements in which Seller participates that relate to purchases of goods or services prior to Closing;

(q) except as otherwise provided in this Agreement, any Claims, rights, credits, causes of action and rights of set-off of Seller (whether known or unknown, contingent or otherwise) against any third-party related to the Purchased Assets (including the Assumed Contracts), contractual or otherwise, accruing or arising prior to the Closing;

(r) all rights in any insurance policies of Seller covering the Purchased Assets or any Assumed Liabilities;

(s) all security deposits held by Seller under the Assumed Leases (together with accrued interest thereon, if any) or relating to any Assumed Contract;

(t) to the extent not included in any of the foregoing, (i) any assets included in the Interim Balance Sheet, except for assets used, consumed or disposed of in the Ordinary Course of Business since the Interim Balance Sheet Date, and (ii) any assets purchased or otherwise acquired since the Interim Balance Sheet Date, which are not reflected on the Interim Balance Sheet but which are held or used in the Business;

(u) all rights to reimbursement for services rendered, and medicine, drugs and supplies provided, by Seller to MSA Straddle Patients who are not discharged until after the Closing Date;

(v) rights to refunds in respect of any Tax for periods prior to Closing resulting from requests therefor submitted by Seller to a Governmental Entity prior to the Effective Time; and

(w) all of the Seller's interest in any joint venture or other similar arrangement.

2.2 Excluded Assets. Notwithstanding anything herein to the contrary, the following assets of Seller are excluded from the Purchased Assets and shall be retained, as applicable by Seller (the "Excluded Assets"):

(a) all cash, cash equivalents and investments of Seller;

(b) all Accounts Receivables arising from services provided by Seller prior to Closing Date;

(c) all funds received by the Hospital under the CARES Act;

(d) any Contracts of Seller, and all of the respective party's rights and interests thereunder that is set forth on Schedule (d) to be delivered to Seller no less than two (2) Business Days prior to Closing (the "Excluded Contracts");

(e) any Personal Property set forth on Schedule (e) to be delivered to Seller no less than two (2) Business Days prior to Closing;

(f) the leasehold interests in and to any and all real property that is leased, subleased or licensed to Seller by another Person (whether an Affiliate or otherwise) that is set forth on Schedule 2.2(f) to be delivered to Seller no less than two (2) Business Days prior to Closing;

(g) any Permits, Environmental Permits and Approvals that are not transferrable;

(h) any Seller Plan (and any and all assets associated therewith or set aside to fund liabilities related thereto);

(i) any assets of any entity affiliated with Seller other than Seller (each, a "Non-Participating Entity");

(j) the corporate books and records of Seller;

(k) any shares of capital stock, membership interests, partnership interests or other ownership interests in Seller or any Non-Participating Entity; and

(l) the rights of Seller under this Agreement, the Ancillary Agreements and all related documents.

2.3 Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement, and effective at the time of the Closing, Buyer shall assume and agree to discharge and perform when due the Liabilities of Seller which are set forth in this Section 2.3 below (collectively, the "Assumed Liabilities"):

(a) all Liabilities arising after the Closing Date under any Assumed Contracts and the Assumed Leases;

(b) any Liabilities relating to the PTO for all Transferred Employees;

(c) all Liabilities arising out of the operation or ownership of the Purchased Assets or the Business first arising during, and related to, any period following the Closing Date; and

(d) Current Payroll for Transferred Employees as of the Closing Date.

2.4 Excluded Liabilities. Notwithstanding anything herein to the contrary, Buyer is assuming only the Assumed Liabilities and is not assuming and shall not become liable for the payment or performance of any other Liability of Seller (collectively, the "Excluded

Liabilities"). The Excluded Liabilities are and shall remain Liabilities of Seller. Without limiting the generality of the foregoing, the term "Excluded Liabilities" includes any Liability:

(a) that is not arising out of or related to the Business or the Purchased Assets;

(b) owed to any Non-Participating Entity;

(c) pertaining to any Excluded Asset or the ownership, operation, use, or benefit thereof, including, for the avoidance of doubt, any Liability with respect to those contracts and permits which constitute Excluded Assets;

(d) any claim for recoupment, overpayment or other refund of amounts paid by any commercial or government third party payor to Seller, including, without limitation, refunds requested by any Governmental Entity (including, without limitation, Medicare, Medicaid, CHAMPUS/TRICARE), or any other third party payor programs that are not in the ordinary course of business (e.g., routine refunds, adjustments and the like) as related to operation of the Hospital prior to the Closing Date, whether or not arising from improper billing, coding and collection practices;

(e) any liabilities of Seller to any Governmental Entity arising from any violations of Law;

(f) relating to Seller's medical malpractice, negligence, workers compensation, employment discrimination and employment-related liabilities, business or other contractual disputes or general liability Claims for acts or failures to act prior to the Closing Date (including all related reserves recorded on Seller's financial statements);

(g) arising as a result of any violation of Law or default by Seller under any Seller Plan or any Contract related thereto and all Liabilities arising as a result of any violations of Law or default of Seller under any Seller Plan or any Contract related thereto on or prior to the Closing Date;

(h) relating to Claims by patients or otherwise for torts relating to services rendered by or on behalf of Seller prior to the Closing Date, regardless of when the Claims are brought;

(i) for Claims asserting breach of contract, tort, infringement, or other violation of Law by Seller arising from any facts, events or circumstances occurring on or prior to the Closing Date, in each case, of any kind or nature whatsoever and whether related to the Purchased Assets or the Business or otherwise and regardless of when commenced, including, without limitation, with respect to the lease for the real property at which the Hospital is located;

(j) arising in connection with the employment by Seller or the termination of any employment by Seller of any Persons, whether as full-time employees, part-time employees, consultants or temporary workers, and including Liabilities for compensation, Claims for workers' compensation or OSHA, or Claims or other grievances by Employees asserting wrongful termination, breach of contract, tort, or other violation of Law by Seller or any of its Affiliates arising from any facts, events or circumstances arising on or prior to the Closing Date;

(k) constituting Indebtedness (other than any Liabilities under any leases that may become Assumed Contracts);

(l) under any Contracts other than the Assumed Contracts for any contractual obligations of Seller, including but not limited to non-disclosure agreements, confidentiality agreements, or non-solicitation agreements, or non-competition agreements other than under the Assumed Contracts;

(m) for Pre-Closing Taxes, including payroll Taxes, if any;

(n) all severance and post-termination obligations and other employment-related Liabilities with regard to any Employee who does not become a Transferred Employee and all Liabilities arising out of any non-wage or benefit liabilities related to employment (or the termination of employment including claims related to disputes or Litigation), employee benefits or other employment-related Liabilities;

(o) relating to Seller's 401(k) plan;

(p) relating to a breach of any certification, representation or non-compliance with any covenant made with respect to or relating to obtaining any funds from any federal or state government during the COVID-19 pandemic, including, without limitation, pursuant to the CARES Act;

(q) for Transaction Expenses incurred by Seller, including commissions, fees or other compensation to brokers or investment bankers arising out of this Agreement or the contemplated Transactions; and

(r) that constitute a Bulk Sales Liability pursuant to Section 2.9.

2.5 Risk of Loss. Seller shall bear the risk of loss of, and all obligations to insure, the Business and the property of any third parties in the possession, custody or control of Seller or for which Seller is responsible, prior to the Closing Date, and such risk of loss and obligation to insure with respect to the Purchased Assets shall transfer from Seller to Buyer at the Effective Time on the Closing Date.

2.6 Consideration. In addition to the assumption by Buyer of the Assumed Liabilities, the aggregate consideration for the Purchased Assets shall equal Nine Million Six Hundred Thousand Dollars ($9,600,000) (the "Purchase Price"). The payment of the Purchase Price shall be treated as a Funding Advance for purposes of Section 6.11. At the Closing, Buyer shall pay the Purchase Price as follows:

(a) Buyer shall deposit the Bulk Sales Transfer Amount, if any, with the Bulk Sales Escrow Agent to be paid by the Bulk Sales Escrow Agent in accordance with the Bulk Sales Escrow Agreement in a form reasonably agreed to by the Parties (the "Bulk Sales Escrow Agreement");

(b) Buyer shall deliver to Seller the balance of the Purchase Price, less the Bulk Sales Transfer Amount, if any, and any Funding Advances made prior to the Closing Date

(the "Seller Closing Date Payment"), by wire transfer of immediately available funds to an account designated by Seller in writing.

2.7 Purchase Price Allocation. The Purchase Price will be allocated for Tax purposes (the "Allocation") among the Purchased Assets. Buyer shall prepare the proposed Allocation and deliver a copy thereof to Seller within 120 calendar days after the Closing. Seller shall thereafter have 30 calendar days to approve or disapprove of such proposed Allocation, such approval not to be unreasonably withheld, conditioned or delayed. Seller and Buyer shall work in good faith to resolve any disputes relating to the Allocation. If Seller and Buyer are unable to resolve any such dispute within 30 days of Buyer's delivery of the proposed Allocation to Seller, then such dispute shall be resolved finally and conclusively by the Arbitrating Accountants, the costs of which shall be borne equally by Buyer and Seller. Buyer, Seller and their Affiliates shall report, act and file Tax Returns (including Internal Revenue Service Form 8594) in all respects and for all purposes consistent with the Allocation agreed to by the Parties or as otherwise determined pursuant to this Section 2.7. No Party shall take any position (whether on any Tax Return or in connection with any audit or other examination) that is inconsistent with the Allocation unless required to do so by applicable law.

2.8 Prorations. At Closing, Seller and Buyer shall prorate real estate and personal property lease payments. If any payment of Taxes, lease or other payments made by Seller before Closing is credited against real estate Taxes or lease or other payments for which Buyer will be liable, the amount of such credit will be applied as a credit against any pro-rations owing by Seller, to the extent available for offset, and any amounts not so applied will be paid to Seller by Buyer upon Buyer's receipt of such credit.

2.9 Bulk Sales Laws. Promptly after the date of this Agreement, but in no event less than ten (10) days prior to the Closing, Buyer shall file with the Director of the Division of Taxation of the Department of the Treasury of the State of New Jersey (the "Division") a Notification of Sale, Transfer or Assignment in Bulk in accordance with N.J.S.A. 54:50-38 (the "Bulk Sales Law") for Seller. The Parties shall comply with the requirements of the Bulk Sales Law and any applicable New Jersey laws relating to bulk sales transfers. Seller shall cooperate with Buyer in connection with the preparation of any document required to be submitted to the Division in accordance with this Section 2.9 which cooperation shall not be unreasonably withheld, conditioned or delayed. Each Party shall deliver to the other Party a true and complete copy of any written communication that it receives from the Division relative to any submission made in furtherance of this Section 2.9. Pursuant to the Bulk Sales Escrow Agreement, the Bulk Sales Escrow Agent shall pay the Bulk Sales Transfer Amount to the Division in order to receive a tax clearance notice. Any Tax, fine, fee, or other liability of Buyer (including for the avoidance of doubt any liability of Seller that becomes a liability of Buyer under any bulk sale or similar Law of any jurisdiction) resulting from noncompliance with any bulk sale or similar Law of any jurisdiction (collectively "Bulk Sales Liabilities") shall be treated as an Excluded Liability under this Agreement.

ARTICLE III
CLOSING

3.1 Closing. Subject to the satisfaction or waiver by the appropriate Party of all the conditions precedent to Closing specified in this Agreement, including Article VII and Article IX hereof, and provided that this Agreement has not been terminated by Buyer or Seller in accordance with the provisions of Article X hereof, the consummation of the Transactions (the "Closing") shall take place electronically by mutual exchange of portable document format (.PDF) signatures and electronic delivery of funds, not later than the fifth (5^{th}) Business Day following the satisfaction (or due waiver) of the conditions set forth in Article III and Article IX or at such other time as the Parties may mutually designate in writing (the "Closing Date").

3.2 Effective Time. The Transaction contemplated hereunder shall be effective as of 12:01 a.m. ET (the "Effective Time") on the Closing Date, unless otherwise agreed in writing by Seller and Buyer.

3.3 Deliveries by Seller at Closing. At or before the Closing and unless otherwise waived in writing by Buyer, Seller shall deliver to Buyer the following:

(a) the Bulk Sales Escrow Agreement, duly executed by Seller and the Bulk Sales Escrow Agent;

(b) with respect to each Assumed Lease where Seller is tenant or subtenant, a Leasehold Assignment and Assumption Agreement in a form to be mutually agreed upon by the Parties (each, a "Leaseholder Assignment"), duly executed by Seller and the landlord of such Assumed Lease;

(c) an estoppel certificate from each landlord of a Leased Real Property made pursuant to the provisions of the applicable Lease for such Leased Real Property, (each, a "Landlord Estoppel");

(d) if applicable, an estoppel certificate from each tenant of Leased Real Property under a Lease in which Seller is a sublessor (a "Tenant Estoppel");

(e) a bill of sale in a form to be mutually agreed upon by the Parties (the "Bill of Sale"), duly executed by Seller;

(f) an assignment and assumption agreement in a form to be mutually agreed upon by the Parties (each an "Assignment Agreement"), duly executed by Seller;

(g) copies of resolutions duly adopted by the governing body of Seller, authorizing and approving, as applicable, the performance of the Transactions and the execution and delivery of this Agreement and the Ancillary Agreements, and the change of name contemplated by Section 12.12, certified as true and of full force and effect as of Closing, by appropriate officers;

(h) certificates of existence and good standing of Seller issued by the Secretary of State of the State of Delaware no earlier than seven (7) days prior to the Closing Date;

(i) the Limited Power of Attorney, duly executed by Seller;

(j) those consents, waivers and estoppels of third parties necessary to effectuate the Transactions in form and substance reasonably acceptable to Buyer;

(k) a Secretary's Certificate from Seller, in the form reasonably requested by Buyer;

(l) an Officer's Certificate from Seller, in the form reasonably requested by Buyer;

(m) a duly executed and properly completed IRS Form W-9; and

(n) such other instruments, certificates, consents and documents, as Buyer reasonably deems necessary to effectuate the Transactions in accordance with the terms hereof.

3.4 Deliveries by Buyer at Closing. At or before the Closing and unless otherwise waived in writing by Seller, Buyer shall deliver to Seller the following:

(a) the Seller Closing Date Payment to an account designated by Seller;

(b) copies of resolutions duly adopted by the governing body of Buyer authorizing and approving Buyer's performance of the Transactions and the execution and delivery of this Agreement and the applicable Ancillary Agreements, certified as true and in full force as of Closing by an appropriate officer of Buyer;

(c) counterparts to one or more Assignment Agreements, duly executed by Buyer;

(d) to the extent delivered by Seller pursuant to Section 3.3(a) of this Agreement, a duly executed and acknowledged counterpart to each Leasehold Assignment and Assumption Agreement;

(e) a Secretary's Certificate from Buyer, in the form reasonably requested by Seller;

(f) an Officer's Certificate from Buyer, in the form reasonably requested by Seller; and

(g) certificates of good standing of Buyer issued by the office of the Treasurer of the State of New Jersey dated no earlier than seven (7) days prior to the Closing Date; and

(h) such other instruments, certificates, consents and documents as Seller reasonably deems necessary to effectuate the Transactions in accordance with the terms hereof.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER

As of the date hereof and as of the Closing Date (except to the extent any of the following speaks as of a specific date), Seller represents and warrants to Buyer the following:

4.1 Organization, Qualification and Capacity. Seller is a limited liability company, duly established and validly existing in good standing under the Laws of the State of Delaware. Seller is duly licensed and qualified to do business in each jurisdiction in which the ownership of the Purchased Assets or the operation of the Business as currently conducted makes such licensing or qualification necessary. Seller has the lawful power to own, lease and operate its assets and properties and conduct its business in the place and manner now conducted, including, as appropriate, operating the Business. Seller is not licensed or qualified to do business in any jurisdiction other than the State of New Jersey and there is no other jurisdiction in which the ownership, use or leasing of its assets or properties, or the conduct or nature of its business, makes such licensing or qualification necessary. The execution and delivery by Seller of this Agreement and, as applicable, the documents described herein, the performance by Seller of its obligations under this Agreement and, as applicable, the documents described herein and the consummation by Seller of the Transactions and, as applicable, the documents described herein have been duly and validly authorized and approved by all necessary corporate action, including, to the extent required, any applicable board and member approvals, on the part of Seller, and none of such actions has been rescinded and all of such actions remain in full force and effect.

4.2 Powers; Consents; Absence of Conflicts With Other Agreements. Seller has the requisite power and authority to conduct its business as now being conducted, to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement and the applicable Ancillary Agreements by Seller, and the consummation by Seller of the Transactions and, to the extent applicable, the transactions described in the Ancillary Agreements, as applicable:

(a) are not in contravention or violation of the terms of Seller's certificate of formation operating agreement or other organizational document;

(b) do not require any Approval or Permit of, or filing or registration with, or other action by, any Governmental Entity to be made or sought by Seller, except as those required for such Transactions; and

(c) assuming the required Approvals and Permits are obtained, will not conflict in any material respect with or result in any violation of or default under (with or without notice or lapse of time or both) or give rise to a right of termination, cancellation or acceleration of any obligation, lien or loss of a benefit under, or permit the acceleration of any obligation or result in the creation of any Encumbrance (other than a Permitted Exception) upon the Hospital or any of the Purchased Assets under (i) any Contract; (ii) any Law applicable to the Hospital or any of the Purchased Assets or to the operation of the Hospital and the Business as they are operated on the date hereof or (iii) any Order by which the Hospital or any of the Purchased Assets are bound.

4.3 Binding Effect. This Agreement and all other Ancillary Agreements to which Seller becomes a party have been duly and validly executed and delivered by Seller and, assuming the due authorization, execution and delivery of this Agreement and each respective Ancillary Agreement by Buyer, are and will constitute the valid and legally binding obligations of Seller and are and will be enforceable against it in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy, moratorium or other Laws affecting creditors' rights and remedies generally and except as enforceability may be subject to general principles of equity.

4.4 No Outstanding Rights.

(a) Seller does not own, of record or beneficially, directly or indirectly, any shares of capital stock, partnership, membership or other comparable equity interest of any Person;

(b) Seller is not a party to any agreement relating to the formation of any other Person; and

(c) Seller does not have any contractual right or obligation to acquire any direct or indirect equity or ownership interest in any other Person.

(d) There are no outstanding rights (including any right of first refusal), subscription rights, options, warrants, conversion rights, purchase rights or Contracts made on behalf of Seller or their Affiliates providing for, permitting or requiring any Person any current or future right to require Seller or any Affiliate of Seller or, following the Closing Date, Buyer, to sell, lease or transfer to such Person or to any third party any interest in the Hospital or any of the Purchased Assets.

4.5 Title; Purchased Assets.

(a) Seller has good and marketable title to the Purchased Assets free and clear of all Encumbrances, except for Permitted Exceptions. At the Closing, Seller shall convey all of its right, title and interest in, including good and marketable title to, the Purchased Assets to Buyer free and clear of all Encumbrances, except for Permitted Exceptions and the Assumed Liabilities. Neither Seller nor any of Seller's Affiliates have created any Encumbrance (other than Permitted Exceptions and Assumed Liabilities) that will interfere with Buyer's use of the Hospital and the Purchased Assets in a manner consistent with the current use by Seller and its Affiliates.

(b) The Purchased Assets and the Excluded Assets (but only to the extent the Excluded Assets are specifically identified in this Agreement or the schedules hereto) constitute all assets that are held or used by Seller, or otherwise necessary for the conduct of the Business substantially in the manner conducted as of the date of this Agreement and consistent with past practice. The Purchased Assets include all tangible and intangible property, assets, contracts and rights reasonably necessary for the operation of the Business as presently conducted.

4.6 Affiliate Agreements. Except as disclosed through Due Diligence:

(a) Seller does not owe any amount to, or has any customer, supplier or distributor Contract with (other than amounts reimbursable for expenses and salary arising in the Ordinary Course of Business to such individuals), any Affiliate or any of its other directors, trustees, officers, employees or consultants; and

(b) there are no customer, supplier or distributor Contracts presently in effect between Seller, on the one hand, and any Affiliate or any director, trustee, officer or member of Seller or any Affiliate of the foregoing, on the other hand.

4.7 Financial Information.

(a) On or prior to the date hereof, Seller has provided to Buyer a true and correct copy of:

(i) the audited balance sheet of Seller as of December 31, 2023 (the "Audited Balance Sheet") and the audited balance sheet of Seller as of each of December 31, 2022, and December 31, 2021, together with the audited statements of earnings, the statement of changes in fund balance financial information, and cash flows for the respective fiscal years then ended, including the notes thereto, in each case examined by and accompanied by the report of independent public accountants; and

(ii) the unaudited balance sheet of Seller as of July 31, 2024 (the "Interim Balance Sheet") and the unaudited statements of earnings, the statement of changes in fund balance financial information, and cash flows for the six (6) months then ended (such unaudited statements collectively with the Interim Balance Sheet, the "Interim Financial Statements"). All of the foregoing financial statements (including the notes thereto, if any) are hereinafter collectively referred to as the "Financial Statements".

(b) Except as disclosed through Due Diligence, the Financial Statements present fairly, in all material respects, the financial position and results of operations of Seller, as of the dates and for the periods indicated, in each case in conformity with GAAP applied on a consistent basis throughout the periods covered thereby, and subject, in the case of the Interim Financial Statements, to the absence of footnote disclosures and normal year-end adjustments which will not be material individually or in the aggregate.

(c) Except as disclosed through Due Diligence, Seller has no Liabilities whether or not required by GAAP to be reflected or reserved against in the Audited Balance Sheet or the Interim Balance Sheet, except for:

(i) Liabilities reflected or reserved against in the Audited Balance Sheet or the Interim Balance Sheet; and

(ii) current Liabilities incurred in the Ordinary Course of Business since the date of the Interim Balance Sheet.

(d) Seller disclosed all Indebtedness and Capital Lease Obligations through Due Diligence.

4.8 Permits and Approvals.

(a) Permits, Environmental Permits and Approvals issued or granted by a Governmental Entity and owned or held by or issued to Seller or any Affiliate of Seller in connection with the Business, were available through Due Diligence and, to Seller's Knowledge, such Permits, Environmental Permits and Approvals constitute all Permits, Environmental Permits and Approvals necessary for the conduct of the Business as currently conducted. Seller is and will be at the Closing, the duly authorized holder of such Permits, Environmental Permits and Approvals, all of which, to Seller's Knowledge, are in full force and effect and unimpaired. Except as disclosed through Due Diligence, all such Permits, Environmental Permits and Approvals are transferrable to Buyer in connection with the Transactions contemplated in this Agreement. Hospital's pharmacies, laboratories and all other ancillary departments located at the Hospital and operated by Seller or an Affiliate of Seller for the benefit of the Hospital, which are required to be specially licensed, are duly licensed by each appropriate Governmental Entity, as disclosed through Due Diligence. As reflected through Due Diligence, the Business is in compliance in all material respects with all Permits and Approvals required by Law. True and complete copies of all such Permits, Environmental Permits and Approvals have been delivered to Buyer.

(b) No waivers of any Laws have been granted or are required for the operation of the Business as currently conducted, nor has grandfathered compliance status with respect to such Laws been granted. There are no provisions in, or Contracts relating to, any such Permits and Approvals which preclude or limit the operation of the Business as it is currently operated. There is not now pending nor, to Seller's Knowledge, threatened, any action by or before any Governmental Entity to revoke, cancel, rescind, suspend, restrict, modify or refuse to renew any of the Permits and Approvals, and, all of the Permits and Approvals are and shall be effective, unrestricted and in good standing now and as of the Closing Date.

(c) Seller holds all accreditations/certifications issued by accrediting bodies that are necessary or customary for the operation of the Business. There is not now pending nor, to Seller's Knowledge, threatened any action by any accrediting body to revoke, cancel, rescind, suspend, restrict, modify or non-renew any such accreditation/certifications, and all such accreditations/certifications are and shall be effective, unrestricted and in good standing as of the date hereof and as of the Closing Date.

(d) The Hospital is in compliance with all applicable fire code regulations. Seller has provided to Buyer, on or prior to the date hereof, (i) the most recent State licensing reports and lists of deficiencies, if any, for the Hospital, and (ii) the most recent fire marshal surveys and lists of deficiencies, if any, for the Hospital.

4.9 Intellectual Property.

(a) Through Due Diligence Seller has provided Buyer all information and/or materials pertaining to all Seller Intellectual Property.

(b) Through Due Diligence Seller has provided Buyer Seller all information and/or materials pertaining to all Intellectual Property licensed from third parties (the "Third Party Intellectual Property") other than Off-the-Shelf Software.

(c) Seller owns and will own at the Closing all Seller Intellectual Property free and clear of all Encumbrances other than Permitted Exceptions. The Seller Intellectual Property includes all of the Intellectual Property necessary in the conduct of the Business as currently conducted.

(d) Seller holds and will hold at the Closing valid licenses to use all Third Party Intellectual Property as used in the Business as of the date hereof and as of the Closing Date. Except as disclosed through Due Diligence and subject to Permitted Exceptions, Seller has and will have at the Closing all rights necessary to assign, transfer and convey to Buyer pursuant to this Agreement all rights of Seller in and to all Intellectual Property, other than pursuant to Excluded Contracts, free and clear of any Encumbrances other than Permitted Exceptions.

(e) The conduct of the Business, as conducted currently does not or, to Seller's Knowledge, at any time in the past did not infringe, misappropriate or violate any Intellectual Property rights owned or controlled by any third party. To Seller's Knowledge, as of the date hereof and as of the Closing Date, there is no unauthorized use, disclosure, infringement or misappropriation by a third party of any Seller Intellectual Property.

(f) No Seller or Affiliate of Seller has brought any Legal Proceeding for infringement of Seller Intellectual Property or breach of any license or Contract involving Intellectual Property against any third party. No written Claim by any third party contesting the validity, enforceability or ownership of any Seller Intellectual Property has been made, is currently outstanding, or, to Seller's Knowledge, is threatened. No such Claim has been made, is currently outstanding or to Seller's Knowledge, is threatened against any licensor to Seller of Third Party Intellectual Property.

(g) Except as set forth in the Assumed Contracts, no necessary registration, maintenance and renewal fees that are the responsibility of Seller or its Affiliates in connection with the Intellectual Property pursuant to Assumed Contracts are due and payable as of the date hereof and none will be due and payable as of the Closing Date.

(h) No Seller has entered into any written agreement granting to any Person the right to control the prosecution or registration of any of the Seller Intellectual Property.

4.10 Healthcare Laws; Government Program Participation/Accreditation.

(a) The Hospital participates in Government Reimbursement Programs and is: (i) eligible to receive payment without restriction under the Government Reimbursement Programs for services provided to qualified beneficiaries; and (ii) qualified to participate in and has current provider agreements (with one or more provider numbers) with the Government Reimbursement Programs and/or their MACs (or other fiscal intermediaries). All of the provider numbers used by Seller in connection with the Business have been provided to Buyer.

(b) The Hospital is in compliance in all material respects with the conditions of participation for each Government Reimbursement Program that it participates in. Except as disclosed through Due Diligence, there is not pending, nor, to Seller's Knowledge, is there threatened, any proceeding, inquiry or investigation under the Government Reimbursement Programs involving Seller or the Business, or any Person who as of the date hereof or as of the Closing Date is an officer, director, member, manager, trustee, Employee or agent of Seller.

(c) Cost Reports for the Hospital were filed when due. The Cost Reports are in all material respects complete and correct; such Cost Reports do not Claim, and the Hospital has not received payment or reimbursement in excess of, the amount provided by Law; all amounts shown as due from the Hospital in the Cost Reports either were remitted with such Cost Reports or will be remitted when required by applicable Law, and all amounts shown in the corresponding Notices of Program Reimbursement as due have been or prior to Closing will be paid when required under applicable Law. Except to the extent that liabilities or contractual adjustments with respect to the Hospital under the Government Reimbursement Programs have been properly reflected and adequately reserved in the Financial Statements, neither Seller nor its Affiliates have received notice of any dispute or Claim by any Governmental Entity, fiscal intermediary or other Person regarding the Government Reimbursement Programs or the participation by Hospital in such programs. Complete and correct copies of all such reports for the three (3) most recently completed fiscal years of Seller and its Affiliates have been furnished to Buyer.

(d) There are no Claims, actions or appeals pending before any Governmental Entity with respect to any Cost Reports or Claims filed on behalf of Seller and its Affiliates with respect to the Hospital, on or before the date of this Agreement (nor shall there be as of Closing, except as disclosed in writing to Buyer), or any disallowances by any Government Entity in connection with any audit of such Cost Reports. There are no facts, circumstances or conditions that would reasonably be expected to form the basis for any such Claims, actions or proceedings against or affecting the Business. There currently exist no restrictions, deficiencies, required plans of correction or other such remedial measures with respect to any Health Care Permit of the Business, or the Business' participation in any Third Party Payor Program. Without limiting the foregoing, no validation review or program integrity review related to the Business, or the consummation of the Transactions has been conducted by any Governmental Entity in connection with any Government Reimbursement Programs, and, no such reviews are scheduled, pending or, to Seller's Knowledge, threatened against Seller or its Affiliates with respect to the Business or the consummation of the Transactions.

(e) All billing practices of Seller and its Affiliates with respect to the Business with respect to Government Reimbursement Programs and Private Health Plans have been in compliance with all applicable Laws, regulations and policies of such Government Reimbursement Programs and Private Health Plans. Seller has not retained an overpayment received from, or failed to refund any amount due to, any Third Party Payor in violation of any Health Care Law or contract; or received written notice of any overpayment or refunds due to any third party.

(f) Seller has provided to Buyer true and complete copies of the most recent accreditation survey report and deficiency list with respect to the Hospital and plan of correction,

if any, issued by a Governmental Entity. Except as disclosed through Due Diligence, Hospital and any other facility is implementing remediation of any such deficiencies.

(g) Neither Seller nor, to Seller's Knowledge, any of its Affiliates, any director, trustee, employee or officer of Seller or any of its Affiliates, or any agent acting on behalf of or for the benefit of any of the foregoing, has, directly or indirectly, in connection with the Hospital or the Business, engaged in any activities that are prohibited or are cause for civil monetary penalties, criminal sanctions or other legal sanctions under any Laws.

(h) Neither Seller, nor any officer, manager, owner, affiliate, employee or agent of Seller, directly or indirectly, has (i) offered or paid or solicited or received any remuneration, in cash or in kind, or made any financial arrangements, in violation of any Health Care Law; (ii) given or agreed to give, or is aware that there has been made or that there is any agreement to make, any gift or gratuitous payment of any kind, nature or description (whether in money, property or services) in violation of any Health Care Law; (iii) made or agreed to make, or is aware that there has been made or that there is any agreement to make, any contribution, payment or gift of funds or property to, or for the private use of, any governmental official, employee or agent where either the contribution, payment or gift or the purpose of such contribution, payment or gift is or was illegal under the laws of any Governmental Entity having jurisdiction over such payment, contribution or gift; (iv) established or maintained any unrecorded fund or asset for any purpose or made any misleading, false or artificial entries on any of its books or records for any reason; or (v) made, or agreed to make, or is aware that there has been made or that there is any agreement to make, any payment to any person with the intention or understanding that any part of such payment would be in violation of any Health Care Law or used or was given for any purpose other than that described in the documents supporting such payment. No Person has filed or, to Seller's Knowledge, has threatened to file against Seller or its Affiliates an action under any federal or state whistleblower statute, including without limitation, under the False Claims Act of 1863 (31 U.S.C. § 3729 et seq.). Neither Seller nor any of its Affiliates, nor any director, trustee, officer or Employee of Seller nor any of their Affiliates, is a party to any Contract (including any joint venture or consulting agreement) related to or affecting the Business with any physician, health care facility, hospital, nursing facility, home health agency or other Person who is in a position to make or influence referrals to or otherwise generate business for the Business, to provide services, lease space, lease equipment or engage in any other venture or activity, in a manner or to the extent that any of the foregoing is prohibited by Law.

(i) Neither Seller, nor any owner, manager, officer, director, partner, agent, employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. § 420.201), in Seller has been (or, has been threatened to be) (i) excluded from any Governmental Reimbursement Program pursuant to 42 U.S.C. § 1320a-7 and related regulations, (ii) "suspended" or "debarred" from selling products to the U.S. government or its agencies pursuant to the Federal Acquisition Regulation, relating to debarment and suspension applicable to federal government agencies generally (42 C.F.R. Subpart 9.4), or other applicable laws or regulations, (iii) debarred, disqualified, suspended or excluded from participation in any Third Party Payor Program or is listed on the General Services Administration list of excluded parties, nor is any such debarment, disqualification, suspension or exclusion threatened or pending, or (iv) made a party to any other action by any Governmental Entity that may prohibit it from

selling products or providing services to any governmental or other purchaser pursuant to any federal, state or local laws or regulations.

(j) Neither Seller, nor any owner, manager, officer, director, partner, agent, employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. §1001.1001) in Seller is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, corporate compliance agreement, deferred prosecution agreement, or other formal or informal agreement with any Governmental Entity concerning compliance with Health Care Laws.

(k) Neither Seller, nor any officer, manager, member, affiliate, employee or agent of Seller, has made an untrue statement of a material fact or fraudulent statement to any Governmental Entity, failed to disclose a material fact that must be disclosed to any Governmental Entity, or committed an act, made a statement or failed to make a statement that, at the time such statement, disclosure or failure to disclose occurred, would reasonably be expected to constitute a violation of any Health Care Law.

4.11 Regulatory Compliance.

(a) Seller is in compliance in all material respects with all applicable statutes, rules, regulations and requirements of Governmental Entities having jurisdiction over the Business, including, without limitation, under the Health Care Laws; and

(b) Except as disclosed through Due Diligence, Seller has timely filed all material forms, applications, reports, statements, data and other information required to be filed with Governmental Entities with respect to the Business.

(c) Except as disclosed through Due Diligence, neither Seller nor any of its officers, directors, trustees, managers, members, personnel or agents, or any other Persons on behalf of Seller has made or authorized, directly or indirectly, any payment of funds of, or relating to, Seller which is prohibited by any Laws, including laws relating to bribes, gratuities, kickbacks, lobbying expenditures, political contributions and contingent fee payments.

4.12 Contracts.

(a) Through Due Diligence, Seller has provided Buyer the information and/or materials pertaining to the Contracts (other than Oral Contracts) to which Seller is a party or by which it is bound and that are primarily related to the Business or by which the Purchased Assets or Hospital may be bound or affected (collectively, the "Material Contracts"):

(i) Contracts for the employment of any individual on a full-time or part-time basis providing annual compensation in excess of $150,000 and Contracts for the services of any individual on a consulting or other basis providing compensation (on an annualized basis) in excess of $150,000;

(ii) Contracts providing for severance, retention or change in control payments or benefits to any Employee;

(iii) Contracts with any labor union or association representing any Employees;

(iv) Contracts relating to Capital Lease Obligations and any other Indebtedness;

(v) Contracts that involve the annual expenditure of more than $100,000 in the aggregate or require performance by any party more than one (1) year from the date hereof that, in either case, are not terminable by Seller without cause (and without penalty or termination fee) on less than 90 days' notice;

(vi) Contracts relating to the ownership or use of Leased Real Property;

(vii) Contracts with any Private Health Plans;

(viii) Contracts requiring consent or notice to any Person as a result of the Transactions;

(ix) Contracts with a Governmental Entity;

(x) Contracts relating to cleanup, abatement or other actions in connection with Environmental, Health and Safety Liabilities;

(xi) Contracts with a group purchasing organization;

(xii) Contracts regarding the management of the Hospital;

(xiii) Contracts with any physician or any entity owned or controlled by a physician;

(xiv) Contracts concerning a partnership, joint venture or similar arrangement with a third party, including Contracts pertaining to a Non-Participating Entity;

(xv) Contracts containing a non-solicitation, non-compete or other restrictive covenant which is binding upon Seller or any Affiliates of Seller with respect to any of the Purchased Assets or Hospital, and Contracts binding on any other Person to which Seller or any Affiliate of Seller is a party that contains a non-solicitation, non-compete or other restrictive covenant;

(xvi) Contracts which grant or convey rights of first refusal, or contain "most favored nation" pricing arrangement, special warranty or similar provisions; and

(xvii) any other Contracts whether or not made in the Ordinary Course of Business, which are material to the Purchased Assets, the Hospital or the operation of the Business.

Correct and complete copies of the Material Contracts and of all other Assumed Contracts (other than Oral Contracts) have been delivered to Buyer by Seller.

(b) Buyer has been provided with the information and/or materials pertaining to the Contracts that, in each case:

(i) constitute an oral arrangement or understanding to which Seller is a party or by which it is bound and that are primarily related to the Business or by which the Purchased Assets or Hospital may be bound or affected;

(ii) involve the annual expenditure of more than $100,000 in the aggregate; and

(iii) if in writing, would constitute a Material Contract (each, an "Oral Contract"). For each Oral Contract, Seller has provided, as part of such Schedule, a correct summary of the material terms thereof. To Seller's Knowledge, each Oral Contract is terminable by Seller without cause upon notice.

(c) Each Assumed Contract is valid and existing as to Seller and its Affiliates (as applicable), and Seller and its Affiliates (as applicable), To Seller's Knowledge and except as otherwise reflected in the Interim Balance Sheet, has duly performed, in all material respects, its obligations under each Assumed Contract to which it is a party to the extent that such obligations to perform have accrued or the term thereof has not expired; and, to Seller's Knowledge and except as otherwise reflected in the Interim Balance Sheet, no breach or default, alleged breach or default, or event or condition which would constitute a breach or default under any Assumed Contract by Seller or its Affiliates or any other party or obligor with respect thereto, has occurred or exists in all respects.

(d) Buyer has been provided the information and/or materials pertaining to each Assumed Contract:

(i) with a change of control provision that would be triggered by the Transactions; or

(ii) that, by its terms, requires a third party's consent to assignment (or notification thereof) in order for Seller to assign such Assumed Contracts to Buyer in accordance with the terms of this Agreement.

4.13 Tax Matters. Buyer has been provided with the information and/or materials with regard to below:

(a) Seller is organized under U.S. federal or state law, and all of the Hospital and Purchased Assets are located in the United States.

(b) None of the Hospital or Purchased Assets are treated, for U.S. federal income tax purposes, as either stock of a corporation or interests in a partnership. None of the Hospital or Purchased Assets are equity interests in an entity that is treated as disregarded from its owner for U.S. federal income tax purposes.

(c) All Tax Returns required to be filed by, or on behalf of, Seller and its Affiliates have been filed within the time (including any valid extensions thereof) and in the

manner provided by Law, and all such Tax Returns are true, correct and complete in all respects, and all Taxes of Seller (regardless of whether or not shown on any Tax Return) have been paid on a timely basis. Seller is not currently the beneficiary of any extension of time within which to file any Tax Return or pay any Tax.

(d) All deficiencies asserted and assessments relating to Taxes have been fully satisfied by payment or have been withdrawn.

(e) There are no liens for any Tax (other than statutory liens for Taxes not yet due and payable) on the Hospital or any of the Purchased Assets, and there is no basis for the assertion of any lien for any Tax.

(f) Seller or any Affiliate of Seller has at all relevant times properly classified each provider of services to Seller as an employee or independent contractor. All amounts required to be withheld or collected by Seller or any Affiliate of Seller in compliance with the payroll tax and other withholding provisions of all applicable Laws have been so withheld or collected, and all such amounts withheld or collected have been timely, duly and validly remitted to the proper Governmental Entity. All Internal Revenue Service Forms W-2, Forms 1099 and other required information returns, as well as any and all analogous state or local information returns, have been timely filed with the proper Governmental Entity, and all required information statements in respect of such information returns have been properly delivered to the appropriate recipients thereof.

(g) No audit or other examination of any Tax Return is presently in progress, and no notice of a Claim or pending investigation has been received or, to Seller's Knowledge has been threatened. No claim has ever been made by any Governmental Entity in a jurisdiction where Seller does not file a particular type of Tax Return or pay a particular type of Tax stating that Seller is or maybe required to file such Tax Return or subject to such Tax in that jurisdiction. Neither Seller nor any of its Affiliates has executed a waiver of any statute of limitations or other extension of the period for the assessment or collection of any Tax, which waiver or extension remains outstanding. Seller has provided or made available to Buyer true, correct and complete copies of all Tax Returns, examination reports, and statements of deficiencies filed, assessed against, or agreed to by or on behalf of Seller.

(h) Seller has not participated in a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b)..

4.14 Interests in Real Property.

(a) Owned Real Property. Seller does not own any real property.

(b) Leases. Buyer has been provided with all Leases where Seller has a leasehold interest as lessee (or as sublessor under such Lease) or sublessee in any real property (collectively, the "Leased Real Property").

(c) Exceptions re: Leases. Except as disclosed through Due Diligence:

(i) Neither Seller nor any Affiliate of Seller is a party to any other Lease with respect to the Business;

(ii) each Lease, as such Lease may have been amended, constitutes a legal, valid and binding obligation of Seller or its Affiliate that is a party thereto, is in full force and effect and has not been further amended, and Seller is not in material default or breach thereunder and, to Seller's Knowledge, the other party thereto is not in material default or breach thereunder;

(iii) no event has occurred which, with the passage of time or the giving of notice or both, would cause an Event of Default under any of the Leases by Seller, or, to Seller's Knowledge, by other parties to such Lease; and

(iv) with respect to all Leases:

(A) Seller or an Affiliate has valid leasehold interests in such leased premises, free and clear of any Encumbrances, other than Permitted Exceptions; and

(B) neither Seller nor any Affiliate have received notice of (1) any condemnation proceeding with respect to any portion of the premises demised under such Leases or any access thereto or (2) any special assessment which may affect any portion of the premises demised under the Leases. True and complete copies of all such Leases and all amendments, modifications and supplements existing as of the date hereof have been (or shall be hereafter) promptly delivered to Buyer. No brokerage commissions are due from Seller with respect to any Lease and no Tenant is in arrears in the payment of any such rent for more than one calendar month, except as set forth on the Rent Roll. No Tenant is entitled to "free" rent or tenant improvement allowances except as set forth on the Rent Roll. To Seller's Knowledge, all work required to be performed by Seller under each of the Leases has been completed and paid for, except as set forth on the Rent Roll. Seller is in possession of the premises under such Leases and Seller is not entitled to or Claim any abatement or "free" rent or tenant allowances thereunder.

(d) Buildings and Systems. All Hospital buildings and systems owned or operated by Seller or its Affiliates. To Seller's Knowledge, each of the following systems of the Hospital: plumbing, electrical, mechanical, or heating, ventilation and air conditioning, sewage, roofing, foundation and floors (collectively, the "Buildings and Systems") are now, and shall be at Closing, in working order. Except as disclosed through Due Diligence, there are no outstanding requirements, recommendations or requests from any Governmental Entity or tenant requiring any material repairs or material work to be done with respect to improvements to, or pertaining to, the maintenance of the Buildings and Systems.

(e) Utilities. To Seller's Knowledge, all public utilities, including water, sewer, gas, electricity and telephone, required for the operation of the Hospital, or any portion thereof, are either supplied through adjoining public streets or, if they pass through adjoining public land, do so in accordance with valid public or private easements. All such public utilities are installed and operating and provide adequate service to the Hospital to continue operations in the manner in which they are now operating and as expected to be conducted in the future by

Seller. Except as disclosed through Due Diligence and/or reflected in the Interim Balance Sheet, Seller has not received notice from any public utility regarding (i) any arrearages, fines or penalties relating to utility services or (ii) change (pending, proposed or actual) in utility service or fees therefor with respect to the Hospital. Parking spaces for visitors are available in parking lots at each facility of the Hospital, which parking is sufficient to accommodate and service the present usage of the Hospital. To Seller's Knowledge, all roads and accessways bordering the Hospital are public roads and no additional documentation is necessary to grant Seller full access to such roads bordering the Hospital, as well as all rights appurtenant to the Hospital in such roads and accessways.

4.15 Personal Property.

(a) Through Due Diligence, Seller has provided Buyer with all information and/or materials pertaining to the following:

(i) all fixed assets owned or leased by, in the possession of or used by Seller or its Affiliates in connection with the Business, and having, in the aggregate with all other similar items, a value in excess of $50,000; and

(ii) except as to Intellectual Property, all other tangible and intangible personal property, rights and assets owned or leased by or in the possession of the Business and having, in the aggregate with all other similar items, a value in excess of $50,000, which list indicates the location of such items. Seller owns and hold, and will own and hold on the Closing Date, good title to all tangible personal property assets and, except as to Intellectual Property, valid title to all intangible assets included in the Hospital and Purchased Assets free and clear of all Encumbrances, except Permitted Exceptions, Assumed Liabilities and rights of owners under leases or licenses of assets leased or licensed to Seller in the Ordinary Course of Business under the Assumed Contracts. The tangible personal property of Seller is in working condition and repair, reasonable wear and tear excepted.

4.16 Insurance. Through Due Diligence, Seller has provided Buyer all insurance policies or self-insurance funds maintained by Seller or any of its Affiliates as of the date of this Agreement covering the ownership and operation of the Business, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverage (including applicable deductibles). To Seller's Knowledge, neither Seller nor any of its Affiliates is in material default under any such policies. Except as disclosed through Due Diligence, all of such policies are now and will be until the Closing in full force and effect. Except as disclosed through Due Diligence, neither Seller nor any of its Affiliates have received notice of default under any such policy or notice of any pending or threatened termination or cancellation, coverage limitation or reduction or material premium increase with respect to any such policy. Through Due Diligence, Seller has provided Buyer the Claims history under each of the insurance policies of Seller and its Affiliates.

4.17 Employee Benefit Plans.

(a) Except as otherwise disclosed through Due Diligence (i) each employee benefit plan within the meaning of Section 3(3) of ERISA (whether or not ERISA applies to such

employee benefit plan) and (ii) any other employee benefit or executive compensation plan, fund, agreement, program, policy, or arrangement, including any equity-based plan (including any equity option, equity purchase, equity ownership, equity appreciation, phantom equity, or restricted equity plan), change in control, employment agreement, retention agreement and bonus program, whether written or unwritten, formal or informal, (A) which is currently maintained, contributed to, or sponsored by Seller or by any other member of Seller's Controlled Group for the benefit of any Employee or former employee of Seller or its Affiliates at the Hospital or the Purchased Assets or (B) under which Seller or any other member of Seller's Controlled Group has or may have any outstanding present or future obligations to contribute or other liability, whether voluntary, contingent or otherwise (collectively, the "Seller Plans"). With respect to each Seller Plan:

(i) each Seller Plan which is intended to meet the requirements of a qualified plan under Section 401(a) of the Code is so qualified and has received a favorable determination letter or opinion letter from the IRS that such Seller Plan is so qualified, and nothing has occurred since the date of such determination that could reasonably be expected to adversely affect the qualified status of any such Seller Plan;

(ii) no Legal Proceeding has been instituted or, to Seller's Knowledge, threatened against or involving such Seller Plan (other than routine Claims for benefits and appeals of such Claims), any trustee or fiduciaries thereof, or Seller;

(iii) such Seller Plan is not under audit, or, to Seller's Knowledge, investigation, by the IRS or any other Governmental Entity;

(iv) all contributions (including all employer contributions and employee salary reduction contributions), distributions, reimbursements, premiums and other payments for all periods ending prior to or as of the Closing Date shall have been made by Seller or accrued as of such date as required under such Seller Plans or applicable Law;

(v) with respect to any insurance contract providing funding under any Seller Plan, to Seller's Knowledge, there is no material liability for any retroactive rate adjustment arising from events occurring prior to the Closing Date;

(vi) all required reports and descriptions (including Form 5500 annual reports, summary annual reports, and summary plan descriptions) have been timely filed and/or distributed in accordance with the applicable requirements of ERISA and the Code with respect to any Seller Plan. The requirements of COBRA have been met in all material respects with respect to each applicable Seller Plan, including any plans maintained by a member in the Controlled Group that is an employee benefit plan subject to COBRA; and

(vii) There has been no prohibited transaction (as defined in Section 406 of ERISA and 4975 of the Code, or Section 503 of the Code, as applicable) or breach of fiduciary duty (as determined under ERISA or state law, as applicable).

(b) Seller has delivered to Buyer true and complete copies of the following (as applicable) with respect to each Seller Plan:

(i) the Seller Plan and any amendments thereto (or if the Seller Plan is not written, a true and reasonably complete description thereof);

(ii) trust documents;

(iii) summary plan descriptions;

(iv) all insurance contracts or other funding arrangements;

(v) the most recent third party administration contracts and for each Seller Plan all material communications received from or sent to the Pension Benefit Guaranty Corporation, the U.S. Department of Labor or the Internal Revenue Service within the last three (3) years;

(vi) the most recent actuarial reports and accountant's opinions of the plan's financial statements, if applicable;

(vii) the most recent estimate available to Seller of any potential multiemployer plan withdrawal liability of Seller and its Controlled Group members;

(viii) the most recent determination letter received from the IRS to the extent that any Seller Plan is a "tax-qualified" retirement plan under Section 401(a) of the Code; and

(ix) in the case of any Seller Plan subject to ERISA, the three most recent Form 5500 annual reports, as filed. Each Seller Plan complies in all material respects with applicable Law, including the Code, and each Seller Plan has been operated in material compliance with the terms thereof in all respects. Neither Seller nor any members of Seller's Controlled Group have improperly excluded any eligible employee from participation in any Seller Plan. Each Seller Plan that is intended to be tax-qualified under Section 401(a) of the Code is so qualified; to Seller's Knowledge, there are no currently existing circumstances that could reasonably result in revocation of any qualification; and the trusts maintained under each such tax qualified plan are exempt from taxation under Section 501(a) of the Code.

(c) The Purchased Assets are not, and there is no existing factual basis for them to become, subject to a lien imposed under Section 430(k) of the Code or Title IV of ERISA, including any such lien arising by virtue of Seller being considered to be aggregated with another trade or business and treated as a single employer pursuant to Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA ("Controlled Group").

(d) Neither Seller nor any member of its Controlled Group has at any time within the past six years sponsored, contributed to, has or had an "obligation to contribute" (as defined in ERISA Section 4212) or has or had any liability, whether voluntary, contingent or otherwise with respect to a Multiemployer Plan, either as an employer or a joint employer. With respect to each Multiemployer Plan, in its three (3) most recently completed plan years, there has not been a "contribution decline" or "partial cessation" (as each is defined in Section 4205 of ERISA) with respect to Seller or any of its Controlled Group members.

(e) Neither Seller nor any member of Seller's Controlled Group has at any time within the past six (6) years sponsored or contributed to or has or had any liability, whether voluntary, contingent or otherwise with respect to a "single employer plan" (as defined in ERISA Section 4001(a)(15), whether or not ERISA would apply to such plan) to which at least two or more of the "contributing sponsors" (as defined in ERISA Section 4001(a)(13), whether or not ERISA would apply to such plan) are not part of the same Controlled Group.

(f) To the extent applicable, the members of Seller's Controlled Group have materially complied with all of the continuation coverage requirements of Section 1001 of the Consolidated Omnibus Budget Reconciliation Act of 1985 and ERISA Sections 601 through 608, with the requirements of Section 5000 of the Code, and any applicable similar state laws requiring Seller or any member of Seller's Controlled Group to provide group health continuation coverage to its employees, former employees and other eligible Persons.

(g) No Seller Plan provides health, dental, life insurance or other welfare benefits (whether on an insured or self-insured basis) to Employees after their retirement or other termination of employment (other than (i) continuation coverage required under COBRA or similar state law which may be purchased at the sole expense of the Employee or (ii) pursuant to the terms of an employment or severance agreement which provides for such benefits for a period of no longer than two years following termination of employment).

(h) Neither Seller nor any member of Seller's Controlled Group participates in, contributes to, or otherwise has any current or contingent liability or obligation under or with respect to any plan that is or was subject to Title IV of ERISA or Section 412 of the Code. Seller has accounted for its obligations with respect to such plans on its financial statements, in accordance with GAAP.

(i) Each agreement, contract or other arrangement to which Seller is a party that is a "nonqualified deferred compensation plan" subject to Section 409A of the Code has been maintained in all material respects in documentary and operational compliance with Section 409A of the Code and the regulations thereunder and no amounts under any such agreement, contract, or other arrangement is or has been subject to the interest and additional tax set forth under Section 409A of the Code. Seller does not have any obligation to reimburse or otherwise "gross-up" or make any other additional payment to any Person for the interest or additional tax set forth under Section 409A of the Code.

(j) The consummation of the transactions contemplated by this Agreement will not:

(i) entitle any Employee to severance pay or termination benefits under any Seller Plan;

(ii) accelerate the time of payment or vesting (except to the extent required by Section 411 of the Code), or increase the amount of compensation or benefits due by Seller to any such Employee;

(iii) require assets to be set aside or other forms of security to be provided for any liability under a Seller Plan; or

(iv) result in any "parachute payment" (within the meaning of Section 280G of the Code or any corresponding provision of state, local, or non U.S. Tax law) by Seller.

4.18 Employees and Employee Relations.

(a) Through Due Diligence, Seller has provided Buyer all the information and/or materials pertaining to all Employees

(b) Seller has delivered to Buyer complete and accurate copies of each employment, consulting, enrollment, appointment, training and similar agreement pertaining to the Business to which Seller or any Affiliate of Seller is a party. Seller is not a party to or bound by any Contract or Order (other than the WARN Act) pertaining to the Business (i) for the employment or provision of services (including as an independent contractor or consultant) by any individual, that is not terminable by Seller without penalty upon 30 days' notice or less, or (ii) relating to the payment of any severance or termination payment, bonus or death benefit to any Employee, former employee or their estates or designated beneficiaries, except for proceeds under any standard employee benefit insurance policies that may be in effect.

(c) The information and/or materials received by Buyer through Due Diligence identifies the labor or collective bargaining agreements, if any, including all side agreements, memoranda of understanding, arbitration awards construing or modifying the terms of any such agreements, and any other ancillary agreements applicable to the Employees who are subject to a labor or collective bargaining agreement. Prior to the date hereof, Seller has delivered to Buyer a copy of each such agreement, if any. Seller, without violating their statutory and/or contractual obligation to bargain in good faith, shall not negotiate any changes to, or extensions of, said collective bargaining agreements, or present substantive proposals to the applicable labor unions with respect to any such proposed changes or extensions, without first consulting with Buyer and securing its prior written consent to same. Except as disclosed through Due Diligence, in connection with Seller's operation of the Business:

(i) no labor union or employee association has been certified as the collective bargaining agent for any group of Employees;

(ii) there is no current, or to Seller's Knowledge threatened, union organizing activities or campaign, or labor union demand for recognition or neutrality, with respect to any Employees or that could otherwise affect Seller;

(iii) no petition has been filed or proceeding instituted by or on behalf of any Employee or group of Employees with the National Labor Relations Board or any other Governmental Entity exercising lawful jurisdiction over Seller's seeking recognition of a bargaining representative; and

(iv) no Employee is represented by a labor union.

(d) There are no (i) strikes, work stoppages, work slowdowns or lockouts pending or, to Seller's Knowledge, threatened against or involving Seller, or (ii) unfair labor practice charges or complaints pending or, to Seller's Knowledge, threatened by or on behalf of any Employee or group of Employees, and Seller and its Affiliates have not experienced any

such pending or threatened strikes, work stoppages, work slowdowns, lockouts, unfair labor practice charges or complaints.

(e) Seller and each Affiliate of Seller, is in compliance in all material respects with all collective bargaining agreements, if any, arbitration awards or other Contracts relating to employment of represented or non-represented Employees, and there are no grievances or arbitrations pending under any such collective bargaining agreements.

(f) Except as disclosed through Due Diligence:

(i) Seller and each Affiliate of Seller, is in compliance in all material respects with all Laws relating to employment, denial of employment or employment opportunity and termination of employment;

(ii) neither Seller nor any Affiliate of Seller is a party to, or otherwise bound by, any settlement agreement or consent decree with, or citation by, any Governmental Entity relating to Employees or employment practices;

(iii) there is no charge of discrimination in employment or employment practices against Seller or any Affiliate of Seller, on any basis, including age, gender, race, religion, national origin, disability, marital status, sexual orientation or other legally protected characteristic, or charge of retaliation, which is now pending or, to Seller's Knowledge, threatened, before the United States Equal Employment Opportunity Commission, or any other Governmental Entity in any jurisdiction in which Seller has employed or currently employs any Employee or any probable cause determination with respect to any such charge;

(iv) neither Seller nor any Affiliate of Seller is liable for any payment to any trust or other fund or to any Governmental Entity with respect to unemployment compensation benefits, workers' compensation benefits, social security or other benefits or obligations for Employees (other than routine payments to be made in the normal course of business and consistent with past practice);

(v) there is no Claim with respect to payment of wages, salary or overtime pay, or unpaid withholding taxes or other sums as required by any appropriate Governmental Entity that is now pending or, to Seller's Knowledge, threatened, before any Governmental Entity with respect to any current or former Employees; and

(vi) there are no controversies (other than Claims for benefits in the ordinary course) pending or, to Seller's Knowledge, threatened, by or on behalf of any Employees against Seller or any Affiliate of Seller, which controversies could reasonably be expected to result in a Legal Proceeding before any Governmental Entity, including those related to payment of wages, hours and the payment of withholding of taxes and other sums as required by any appropriate Governmental Entity.

(g) There is no material controversy pending or, to Seller's Knowledge, threatened between Seller or any Affiliate of Seller and any of its current or former officers, directors, trustees or senior managers, in each case, in connection with the Business.

(h) Through Due Diligence, Seller has provided Buyer the information and/or materials that identifies all Employees who are working exclusively or substantially in connection with a clinical research program.

(i) To Seller's Knowledge:

(i) no officer or senior manager has any present intention to terminate or materially alter his or her relationship with Seller or any Affiliate of Seller, other than as contemplated by this Agreement and the Ancillary Agreements; and

(ii) no Employees are in violation of any material term of any employment contract, patent disclosure agreement, enforceable noncompetition agreement or any enforceable non-solicitation or other restrictive covenant, in each case, to a former employer relating to the right of any such Employee to be employed by Seller or any Affiliate of Seller.

4.19 Medical Staff; Physician Relations. Seller has delivered to Buyer complete and correct copies of the Bylaws, Rules and Regulations of the Medical Staff applicable to the Hospital, as currently in effect. There are no pending, or, to Seller's Knowledge, threatened, proceedings with the medical staff members at the Hospital or applicants for medical staff admission at the Hospital or allied health professionals at the Hospital. Through Due Diligence, Seller has provided Buyer information and/or materials pertaining to all members of the medical staff and allied health professional staff of the Hospital as of the date hereof and as of the Closing Date, including each person's name, mailing address, title or position, department, assignment status and compensation, as applicable.

4.20 Legal Proceedings Through Due Diligence, Seller has provided Buyer information and/or materials pertaining to all Legal Proceedings with respect to or affecting the Business to which Seller or any of its Affiliates is a party (including Governmental Entity and third party payor audits and related proceedings), as well as settlements, Orders or conciliation agreements under which Seller or any of its Affiliates has current or future obligations with respect to the Hospital or Purchased Assets. Except to the extent as disclosed through Due Diligence, there are no Legal Proceedings, compliance reports, notices of violation or information requests pending, or, to Seller's Knowledge, threatened against (i) Seller or any of its Affiliates with respect to the Business, or (ii) any Employee with respect to the Business.

4.21 Absence of Changes. Between the date of the Audited Balance Sheet and the date hereof, there has not been any transaction or occurrence in which Seller or any of its Affiliates, in connection with the Purchased Assets, have:

(a) suffered any damage, destruction or loss with respect to or affecting the Hospital or any of the Purchased Assets in an amount in excess of $50,000;

(b) written down or written up the value of any Inventory (including write-downs by reason of shrinkage or markdowns), except in the Ordinary Course of Business;

(c) determined as collectible any Account Receivable or any portion thereof which was previously considered uncollectible, or written off as uncollectible any Account

Receivable or any portion thereof, except for write-downs, write-ups and write-offs in the Ordinary Course of Business;

(d) disposed of, modified or permitted to lapse, any right to the use of any Intellectual Property, except in the Ordinary Course of Business;

(e) made any capital expenditure or commitment for additions to property, plant, equipment, intangible or capital assets or for any other purpose, other than in the Ordinary Course of Business in an amount in excess of $100,000;

(f) acquired any assets, including acquired any business, whether by merger, consolidation, the purchase of a substantial portion of the assets or equity interests of such business or otherwise, except in the Ordinary Course of Business;

(g) sold, leased, transferred or otherwise disposed of the Hospital or, except in the Ordinary Course of Business, any of the Purchased Assets;

(h) granted or incurred any obligation for any increase in the compensation of any Employee (including any increase pursuant to any bonus, pension, profit-sharing, retirement, or other plan or commitment) or created any Seller Plan, in each case, other than in the Ordinary Course of Business;

(i) incurred, assumed or guaranteed any indebtedness, or made any loans, advances or capital contributions to, or investments in, any other Person;

(j) cancelled, settled, compromised, waived or released any right or Claim (or series of related rights and Claims) either involving more than $50,000 or outside the Ordinary Course of Business;

(k) made any change in any method of accounting or accounting principle, practice or policy;

(l) suspended operation of, or closed any departments (or material service), clinics or health services or educational programs, or otherwise terminated or took action to terminate such operations, other than in the Ordinary Course of Business;

(m) taken any other action, except in the Ordinary Course of Business or as specifically provided for in this Agreement;

(n) taken any other action contrary to the specific terms of this Agreement; or

(o) agreed, so as to legally bind Seller or affect the Hospital or the Business, whether in writing or otherwise, to take any of the actions set forth in this Section 4.21 and not otherwise permitted by this Agreement.

4.22 Environmental Matters.

(a) Except in compliance with applicable Environmental Laws, or in concentrations which would not be reasonably expected to result in an obligation to report to a Governmental Entity, there have been no Releases of Hazardous Materials in, on, over, under, at or from the Hospital, or any of the Leased Real Properties during the period of Seller's ownership or occupancy of the Hospital, or such Leased Real Property.

(b) Except in material compliance with applicable Environmental Laws, Seller has not engaged in any Hazardous Activity at the Hospital, or any of the Leased Real Properties or in connection with the operation of the Business.

(c) Seller's operation of the Hospital, the Leased Real Property and the Business is now and at all times has been in compliance in all material respects with all applicable Environmental Laws.

(d) To Seller's Knowledge, there are no environmental conditions existing at the Hospital or any of the Leased Real Properties that have resulted in, or which could reasonably be expected to result in, the imposition upon Seller of any Environmental, Health and Safety Liabilities.

(e) Seller has not received any notice of any Environmental, Health and Safety Liabilities relating to the Hospital, any of the Leased Real Properties or the Business.

(f) Seller is in material compliance with the terms and conditions of all Environmental Permits.

(g) Neither the execution of this Agreement nor the consummation of the Transactions contemplated by this Agreement will trigger the application of ISRA to the Hospital or any of the Leased Real Properties.

(h) Seller has provided Buyer access to all material environmental reports, assessments, audits, studies, investigations, data and other written environmental information in their custody, possession or control concerning Seller, the Hospital, the Leased Real Property and the Business.

4.23 Immigration Act. Seller and its Affiliates are in compliance, in all material respects, with the terms and provisions of the Immigration Act with respect to the operation of the Hospital and the Purchased Assets. Neither Seller nor any of its Affiliates has received any written notice of any actual or potential violation of any provision of the Immigration Act (it being acknowledged that receipt of Social Security Administration "no match letters" does not constitute notice of any actual or potential violation of any Law) and there are no, and, have not been any, citations, investigations, administrative proceedings or formal complaints of violations of the immigration laws imposed, pending or threatened before the U.S. Department of Homeland Security (including the U.S. Citizenship and Immigration Services, U.S. Immigration and Customs Enforcement or U.S. Customs and Border Protection), U.S. Department of Labor or before any other Governmental Entity against or involving Seller or any of its Affiliates.

4.24 Credit Balance Reports. Seller has delivered to Buyer accurate and complete copies of Seller's Medicare and Medicaid quarterly credit balance reports for the past four (4) quarters.

4.25 Inventory. Substantially all of the Inventory existing on the date hereof will exist on the Closing Date, except for Inventory exhausted, replaced or added in the Ordinary Course of Business between the date of this Agreement and the Closing Date substantially in accordance with prior practice. Substantially all of the Inventory on hand on the date of this Agreement and to be on hand on the Closing Date consists of and will consist of items of a quality and quantity useable or saleable in the operation of the Business in the Ordinary Course of Business, except to the extent of reserves reflected in the Financial Statements.

4.26 Accounts Receivable and Accounts Payable.

(a) Except as disclosed through Due Diligence, all Accounts Receivable due or recorded in the books and records of account of Seller, have arisen from bona fide transactions in the Ordinary Course of Business, are valid and existing and are reasonably believed by Seller to be collectible in an aggregate amount equal to the amount shown for Accounts Receivable, except to the extent of the amount of the reserve for doubtful accounts reflected thereon. Except to the extent of any allowance for bad debt or doubtful receivables as reflected on the Interim Balance Sheet, to Seller's Knowledge, no Accounts Receivable or other debts are or will be, at the Closing Date, subject to any valid counter-Claim or set-off.

(b) All of the accounts payable of Seller have arisen in bona fide arm's-length transactions in the Ordinary Course of Business and, as of the date hereof and the Closing Date, and except as disclosed through Due Diligence, Seller shall have paid its accounts payable in the Ordinary Course of Business.

4.27 Payors. Buyer received the names of the twenty (20) largest Private Health Plans, with respect to the Hospital, based upon payments received for the twelve month period ending July 31, 2024 (each such payor, a "Material Payor"). Except as disclosed in Due Diligence, the Hospital is not currently involved in any material dispute with a Material Payor, and neither the Hospital nor any of its Affiliates has received any written notice from any Material Payor to the effect that such Material Payor intends to cease doing business or significantly reduce the volume of its business with the Hospital or change any of the material terms related to its Contracts with the Hospital.

4.28 Vendors. Schedule 4.28 lists the names of the twenty (20) largest vendors of Seller based upon expenditures during the twelve-month period ended July 31, 2024 (the "Material Vendors") and the approximate value of purchases and/or services from each Material Vendor during such period. Except as disclosed in Due Diligence, and to Seller's Knowledge, neither Seller nor any of its Affiliates is currently, or has been since January 1, 2021 involved in any material dispute with a Material Vendor, and neither Seller nor any of its Affiliates has received any written notice since January 1, 2021 from any Material Vendor to the effect that such Material Vendor intends to cease doing business or significantly reduce the volume of its business with Seller or change significantly the selection or amount of products it sells or

services it provides to Seller or any of the material terms related to the sale of such products or provision of such services.

4.29 Brokers or Finders. Neither Seller, nor its Affiliates nor any of their Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the Transactions.

4.30 Limitation on Seller's Representations and Warranties. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER SELLER, NOR ANY AGENT OR REPRESENTATIVE OF SELLER HAS MADE, AND SELLER IS NOT LIABLE OR RESPONSIBLE FOR OR BOUND IN ANY MANNER BY, ANY EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES, COVENANTS, AGREEMENTS, OBLIGATIONS, GUARANTEES, STATEMENTS, INFORMATION OR INDUCEMENTS PERTAINING TO THE PURCHASED ASSETS OR ANY PART THEREOF, TITLE TO THE PURCHASED ASSETS, THE PHYSICAL CONDITION THEREOF, THE FITNESS AND QUALITY THEREOF, THE VALUE AND PROFITABILITY THEREOF, OR ANY OTHER MATTER OR THING WHATSOEVER WITH RESPECT THERETO. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER SELLER NOR ANY OFFICER, EMPLOYEE, AGENT OR REPRESENTATIVE OF SELLER IS LIABLE OR RESPONSIBLE FOR OR BOUND IN ANY MANNER BY (AND BUYER HAS NOT RELIED UPON) ANY VERBAL OR WRITTEN OR IMPLIED REPRESENTATIONS, WARRANTIES, COVENANTS, AGREEMENTS, OBLIGATIONS, GUARANTEES, STATEMENTS, INFORMATION OR INDUCEMENTS PERTAINING TO THE PURCHASED ASSETS OR ANY PART THEREOF, AND ANY OTHER INFORMATION RESPECTING SAME FURNISHED BY OR OBTAINED FROM SELLER OR ANY AGENT OR REPRESENTATIVE OF SELLER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS PURCHASING THE PURCHASED ASSETS IN "AS IS" CONDITION AT THE DATE HEREOF, WEAR AND TEAR AND CASUALTY BETWEEN THE DATE HEREOF AND THE CLOSING DATE EXCEPTED. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER SHALL NOT HAVE ANY LIABILITY OF ANY KIND OR NATURE FOR ANY DEFECTS IN THE PURCHASED ASSETS DISCOVERED AFTER THE CLOSING DATE, WHETHER LATENT OR PATENT.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER FURTHERMORE ACKNOWLEDGES AND AGREES THAT (1) ANY DOCUMENTS DELIVERED OR MADE AVAILABLE BY SELLER MAY HAVE BEEN PREPARED BY THIRD PARTIES AND MAY NOT BE THE WORK PRODUCT OF SELLER; (2) SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF, AND HAS NO KNOWLEDGE OF, THE ACCURACY OR COMPLETENESS OF, EITHER SUCH DOCUMENTS OR THE CONTENT THEREOF; (3) ANY DOCUMENTS DELIVERED OR MADE AVAILABLE TO BUYER ARE FURNISHED AT THE REQUEST OF, AND FOR THE CONVENIENCE OF, BUYER; (4) BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATIONS, EXAMINATIONS AND INSPECTIONS OF THE PURCHASED

ASSETS. FURTHERMORE, BUYER ACKNOWLEDGES AND AGREES THAT ITS AFFILIATE UNDER THE INTERIM MANAGEMENT AGREEMENT HAS FULL ACCESS AND INFORMATION RELEVANT TO THIS TRANSACATIONS AND THE CONDITION OF THE BUSINESS AND ASSETS BEING PURCHASED AND, AS SUCH, HAS THE FULL CAPACITY TO MAKE ITS OWN INVESTIGATION OF SAME, WITHOUT ANY RELIANCE OR NEED ON THE PART OF SELLER.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof and as of the Closing Date (except to the extent any of the following speaks as of a specific date, such as the date hereof), Buyer represents and warrants to Seller the following:

5.1 Organization, Qualification and Capacity. Buyer is a limited liability company duly organized and validly existing in good standing under the Laws of the State of New Jersey. Buyer is duly authorized, qualified to do business and in good standing under all applicable Laws of any Governmental Entity having jurisdiction over the business of Buyer and has the lawful power to own, lease and operate its properties and conduct its business in the place and manner now conducted. The execution and delivery by Buyer of this Agreement and, as applicable, the documents described herein, the performance by Buyer of its obligations under this Agreement and, as applicable, the documents described herein and the consummation by Buyer of the Transactions and, as applicable, the documents described herein have been duly and validly authorized and approved by all necessary action, including, to the extent required, any applicable board and member approvals, on the part of Buyer and none of such actions have been rescinded and all of such actions remain in full force and effect.

5.2 Powers; Consents; Absence of Conflicts With Other Agreements. Buyer has the requisite power and authority to conduct its business as now being conducted, to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement and the applicable Ancillary Agreements by Buyer and the consummation by Buyer of the Transactions and, to the extent applicable, the transactions described in the Ancillary Agreements, as applicable:

(a) are not in contravention or violation of any of the material terms of Buyer's certificate of formation or other organizational documents of Buyer required for performance of Buyer hereunder;

(b) do not require any Approval or Permit of or filing or registration with or other action by, any Governmental Entity to be made or sought by Buyer, except NJDOH Approvals; and

(c) assuming the NJDOH Approvals are obtained, will not conflict in any material respect with or result in any violation of or default under (with or without notice or lapse of time or both) or give rise to a right of termination, cancellation or acceleration of any obligation, lien or loss of a benefit under, or permit the acceleration of any obligation or result in the creation of any Encumbrance (other than a permitted exception) upon any of the material

facilities or assets of Buyer, as applicable, under (i) any contract by which Buyer is bound, or (ii) any Law applicable to Buyer, or (iii) any Order by which Buyer or its business is bound.

5.3 Binding Effect. Subject to the receipt of the NJDOH Approvals, this Agreement and all other Ancillary Agreements to which Buyer will become a party hereunder have been duly and validly executed and delivered by Buyer, and, assuming the due authorization, execution and delivery of this Agreement and each respective Ancillary Agreement by Seller, are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as enforceability against Buyer may be restricted, limited or delayed by applicable bankruptcy, moratorium or other Laws affecting creditors' rights and remedies generally and except as enforceability may be subject to general principles of equity.

5.4 Litigation. There is no Legal Proceeding pending or, to the Knowledge of Buyer, threatened against Buyer, (a) questioning the creation, organization or existence of Buyer, (b) questioning the validity, legality or enforceability of this Agreement or any Ancillary Agreements to which Buyer is a party, (b) otherwise questioning the undertaking or completion of the Transactions by Buyer or the ability of Buyer to consummate the Transactions as contemplated hereby, or (d) if adversely decided, would reasonably be expect to have a materially adverse effect upon the financial condition of Buyer, or Buyer's ability to timely consummate the Transactions.

5.5 Brokers or Finders. Neither Buyer nor any of Representatives of Buyer have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions.

ARTICLE VI
PRE-CLOSING COVENANTS

6.1 Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each of the Parties shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Transactions. From time to time after the date hereof, without further consideration, each of the Seller and the Buyer will, at its own expense, execute and deliver such documents to the Buyer or the Seller, as the case may be, as such party may reasonably request in order more effectively to effectuate the Transactions.

(b) Without limiting the generality of paragraph (a) of this Section 6.1, the Buyer, through its managing Affiliate, or otherwise, shall use reasonable best efforts, and Seller will use reasonable best efforts to cooperate with Buyer, as needed, for the Parties to obtain all consents of all Governmental Entities (including, without limitation, any NJDOH licensure and/or certificate of need approvals (collectively, the "NJDOH Approvals") and Medicare/Medicaid change of ownership notifications) and third parties permits, approvals, orders, authorizing and qualifications and waivers necessary in connection with the consummation of the Transactions so that the Closing may occur as soon as possible. Any filing

or other fees payable to any Governmental Entities for obtaining the NJDOH Approvals or the fees of any experts or consultants engaged in connection therewith shall be paid by the Buyers. Each of the Parties shall make or cause to be made all filings and submissions under Law applicable to it as may be required for the consummation of the Transactions. The Parties shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of the NJDOH Approvals.

(c) Without limiting the foregoing, as promptly as practicable after the date of this Agreement, each Party shall make all filings required by Law to be made by it in order to consummate the Transactions, including, without limitation, the submission of the CN Application to NJDOH. After such time as the Parties make a public announcement regarding this transaction (which public announcement will be made at such time and in such manner as may be mutually agreed upon by the Parties following the execution of this Agreement), the Parties shall use reasonable efforts to obtain (and cooperate with each other in obtaining) all consents, approvals, waivers and other authorizations of all third parties necessary for the consummation of the Transactions.

(d) Without limiting the generality of the Parties' undertakings pursuant to Sections 6.1(a)(a), 6.1(b)(b) and 6.1(c) above, each of the Parties shall use all reasonable best efforts to:

(i) promptly respond to any inquiries by any Governmental Entities with respect to the Transactions;

(ii) avoid the imposition of any Order or the taking of any action that would restrain, alter or enjoin the Transactions; and

(iii) in the event any Order adversely affecting the ability of the parties to consummate the Transactions has been issued, to have such Order vacated or lifted.

(e) All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals made by or on behalf of either party before any Governmental Entities or the staff or regulators of any Governmental Entities, in connection with the Transactions (but, for the avoidance of doubt, not including any interactions between the Seller or the Buyer with Governmental Entities in the ordinary course of business, any disclosure which is not permitted by the Law or any disclosure containing confidential information) shall be disclosed to the other Party hereunder in advance of any filing, submission or attendance, it being the intent that the Parties will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals. Each Party shall give notice to the other Party with respect to any meeting, discussion, appearance or contact with any Governmental Entities or the staff or regulators of any Governmental Entities, with such notice being sufficient to provide the other Party with the opportunity to attend and participate in such meeting, discussion, appearance or contact.

(f) Notwithstanding the foregoing, nothing in this Section 6.1 shall require, or be construed to require, the Buyer or any of its Affiliates to agree to (i) sell, hold, divest,

discontinue or limit, before or after any Closing Date, any assets, businesses or interests of the Buyer or any of its Affiliates; (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to materially and adversely impact the economic or business benefits to the Buyer of the Transactions; or (iii) any modification or waiver of the material terms and conditions of this Agreement.

6.2 Access to Information.

(a) Between the date of this Agreement and the Closing Date, to the extent permitted by Law, Seller shall provide Buyer and its Representatives, which Buyer acknowledges it is to have through its managing Affiliate, under the Interim Management Agreement:

(i) access, during normal business hours and upon reasonable prior notice, to and the right to inspect, the plants, properties (including the Real Property), books and records, litigation materials and other documents and information relating to the Hospital, Purchased Assets and the Assumed Liabilities; and

(ii) access, during normal business hours and upon reasonable prior notice, to Seller and its Affiliates' employees and medical staff members, and shall furnish Buyer and its Representatives with such additional financial and operating data and other information of Seller and its Affiliates in Seller's and its Affiliates' possession, custody or control relating to the Hospital, the Purchased Assets and the Assumed Liabilities, as Buyer or its Representatives may from time to time reasonably request.

(b) Seller shall provide Buyer and its Representatives, during normal business hours and upon reasonable prior notice, access to and, subject to the Leased Real Property to conduct any environmental, health or safety inspections or investigations, which may include sampling or testing of soils, surface water, groundwater, ambient air or improvements at, on or under the Leased Real Property.

(c) Buyer agrees that Buyer's right of access and investigation under this Section 6.2 will be exercised in such a manner as to not unreasonably interfere with the operation of Seller's Business.

6.3 Operations. From the date hereof until the Closing Date, and except as otherwise agreed to in writing by the Parties, Seller and its Affiliates (as applicable) shall, with respect to the Business (unless prior written consent of Buyer is received, which consent shall not be unreasonably withheld, conditioned or delayed):

(a) carry on the Business in substantially the same manner as it has heretofore and not make any material change in personnel, operations, finance or accounting policies (unless required under GAAP) of Seller or the Purchased Assets, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement;

(b) maintain the Business, and all parts thereof, in working order and condition as currently operated, ordinary wear and tear excepted, and make all planned and

budgeted capital expenditures related to the Business, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement, provided, however, that in the case of capital expenditures that are not planned and budgeted, Seller shall obtain Buyer's approval, which approval shall not be unreasonably withheld, conditioned or delayed, on individual capital expenditures (or a series of related capital expenditures) that either exceed $25,000 or are outside the Ordinary Course of Business, provided, further, however, that, if Seller requests Buyer's approval, pursuant to and as required by the terms of the preceding clause, and fifteen (15) days following the written submission of such request Buyer has not responded to such request, Seller may proceed with such capital expenditure in the absence of Buyer's approval, provided, further, however, that in the case of capital expenditures that are not planned and budgeted and that, individually or as a series of related capital expenditures, either exceed $25,000 or are outside the Ordinary Course of Business, such expenditures shall not require that Seller shall obtain Buyer's approval pursuant to the next preceding clause, if such expenditures relate to a repair to the Business that is necessary or appropriate, in the reasonable judgment of Seller, on an emergency basis in order to maintain or restore regular and normal operations of the Business;

(c) perform its obligations under Assumed Contracts, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement;

(d) keep in full force and effect present insurance policies on the Business a policy is canceled or terminated in the Ordinary Course of Business and concurrently replaced with a policy or arrangement with substantially similar coverage, with no gap in coverage, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement;

(e) (i) maintain and preserve the business organization with respect to the Business intact, (ii) use commercially reasonable efforts to retain present Employees of the Business and maintain its relationships with physicians and medical staff, suppliers, customers and others having business relations with the Business, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement, and (iii) refrain from inducing any Employees (other than Employees who do not receive offers of employment from Buyer prior to Closing pursuant to Section 7.1) to leave employment with Seller in order to be employed elsewhere by Seller or its Affiliates;

(f) permit and allow reasonable access by Buyer (which shall include the right to send written materials, all of which shall be subject to Seller's reasonable approval prior to delivery) to make offers of post-Closing employment to any of Seller's personnel (including access by Buyer at a time or times and in a manner reasonably approved in advance by Seller for the purpose of conducting open enrollment sessions for Buyer's employee benefit plans and programs) and to establish, in a manner reasonably approved by Seller, relationships with physicians, medical staff and others having business relations with Seller;

(g) with respect to deficiencies, if any, cited by any Governmental Entity or accreditation body in the most recent surveys conducted by each, cure or develop and timely implement a plan of correction, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement, that is acceptable to any Governmental Entity or such accreditation body;

(h) timely file or cause to be filed all reports, notices and Tax Returns relating to the Business required to be filed with any Governmental Entity, pay all required Taxes as they come due as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement;

(i) comply in all material respects with all Laws (including Environmental Laws) applicable to the conduct of the Business, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement;

(j) maintain all material Approvals, Permits and Environmental Permits relating to the Business and Assumed Liabilities in good standing, as managed by Buyer, through its managing Affiliate, under the Interim Management Agreement;

(k) notify Buyer within two (2) Business Days of any materially adverse change to the condition of the Business, or to the business or operations thereof, including any Seller Material Adverse Development or any circumstance or events that are reasonably likely to lead to a Seller Material Adverse Development;

(l) use commercially reasonable efforts to obtain the Landlord Estoppels and Tenant Estoppels in accordance with the terms of Section 3.3(c) and Section 3.3(d); and

(m) afford Buyer and its Affiliates an opportunity to provide to Seller and any Affiliates of Seller input with respect to other significant or material matters pertaining to the Business.

6.4 Negative Covenants. From the date hereof to the Closing Date, as required by Law, neither Seller nor any Affiliate of Seller (as applicable) will, with respect to the Business (without the prior written consent of Buyer):

(a) enter into any Contract, or incur or agree to incur any Liability, outside the Ordinary Course of Business;

(b) notify any payor to send payments to, or cause any Accounts Receivable to be deposited in, any account other than the A/R Bank Accounts, or sell or factor any Accounts Receivable;

(c) postpone or delay the payment of any accounts payable or other expense in excess of $5,000 that is not in dispute in a manner that is not consistent with past practice, or accelerate the collection of (or discount of) any Accounts Receivable in excess of $10,000;

(d) increase compensation payable or to become payable or make a bonus payment to or otherwise enter into one or more bonus or severance Contracts with any Employee or agent or under any personal services Contract, except in the Ordinary Course of Business in accordance with existing personnel policies;

(e) sell, assign or otherwise transfer or dispose of any of, or waive or settle any Claims (subject to the provisions of clause (r) of this Section 6.4) regarding, the Business in excess of $10,000 or outside the Ordinary Course of Business;

(f) pay or agree to pay any settlement to any Employee;

(g) increase benefits under any Seller Plan except in the Ordinary Course of Business;

(h) (i) amend, modify or terminate any Assumed Contract (except in conformity with this Agreement and in a commercially reasonable manner in the Ordinary Course of Business); (ii) by action or inaction, abandon, terminate, cancel, forfeit, waive or release any material rights of Seller or any of its Affiliates, in whole or in part, with respect to the Business or encumber any of them, except for Permitted Exceptions; (iii) effect any corporate merger, business combination, reorganization or similar transaction or take any other action, corporate or otherwise, which could reasonably be expected to affect materially and adversely Seller's ability to perform in accordance with this Agreement; (iv) cancel or permit the cancellation or lapse of insurance coverage on the Business; or (v) settle any dispute or threatened dispute with any Governmental Entity regarding the Business;

(i) except for the Permitted Exceptions, create, assume or permit to exist any new Encumbrance upon any of the Purchased Assets, unless pursuant to a Liability consisting of a credit facility existing as of the date hereof;

(j) amend or terminate or otherwise modify any employment Contract or enter into any new employment Contract with any Person, except in the Ordinary Course of Business;

(k) create, amend, terminate or otherwise modify any Seller Plan, except for (x) amendments, terminations or modifications required to comply with this Agreement or applicable Law or (y) in the Ordinary Course of Business;

(l) incur any indebtedness for borrowed money or guarantee the indebtedness of another Person for an amount in excess of $25,000, unless such indebtedness is incurred pursuant to a draw upon a credit facility existing as of the date hereof;

(m) enter into any contract or commitment other than a capital expenditure (as allowed under Section 6.4(n) below) in excess of $25,000, unless it is currently planned and budgeted or unless it is in the Ordinary Course of Business;

(n) make any capital expenditure commitment in excess of $25,000 for additions to property, plant, equipment, intangible or capital assets, or for any other purpose, unless such capital expenditure (i) is planned and budgeted, (ii) is in the Ordinary Course of Business, or (iii) relates to a repair to the Business that is necessary or appropriate, in the reasonable judgment of Seller, on an emergency basis in order to maintain or restore regular and normal operations of the Business;

(o) make or change any Tax election, change any method of accounting, file any amended Tax Return, enter into any closing agreement, consent to any extension or waiver of the limitation period applicable to any Tax Claim or dispute, or adopt or change any accounting principle, policy, or procedure used by it regarding Taxes, or settle any Claim or dispute with any Governmental Entity in respect of any Tax;

(p) amend or agree to amend the articles or certificate of incorporation, bylaws or other governing documents of Seller or any of its Affiliates or otherwise take any action relating to any liquidation or dissolution of Seller or any of its Affiliates, except as expressly contemplated by this Agreement;

(q) commence, settle or compromise any pending or threatened Legal Proceeding or Claim without first seeking, in writing, written recommendations from Buyer with respect to any such commencement, settlement or compromise;

(r) remove any personal property or fixtures located at the Leased Real Property, except as may be required for repair and replacement (any replacements shall be free and clear of any and all Encumbrances and shall be of quality at least equal to the replaced items, and shall be deemed included in this sale, without cost or expense to Buyer) or otherwise is in the Ordinary Course of Business;

(s) make any distributions or dividends, loans, advances or other funds to any owner of Seller or any other Affiliates of Seller, including, without limitation, to any Non-Participating Entities; or

(t) request or consent to any zoning changes.

6.5 Notification of Certain Matters. At any time from the date of this Agreement to the Closing Date:

(a) Seller shall give written notice to Buyer as promptly as reasonably feasible of:

(i) the occurrence, or failure to occur, of any event that has caused any representation or warranty of Seller contained in this Agreement to be untrue;

(ii) any matter hereafter arising or discovered that, if existing or known at the date of this Agreement, would have been required to be set forth or described in a schedule to this Agreement; and

(iii) any failure of Seller to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

(b) Seller shall promptly notify Buyer of:

(i) any written notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the Transactions;

(ii) any written notice or other communication from any Governmental Entity in connection with the Transactions or that is (or may reasonably be regarded at the time of notice as) material to or materially adverse to the business, condition or operations of Seller, its Affiliates, or the Business; and

(iii) any Legal Proceedings commenced or, to Seller's Knowledge, threatened, against or relating to or involving or otherwise affecting Seller, any of its Affiliates or the Business or that relate to the consummation of the Transactions, or any material developments relating to any Legal Proceedings hereby disclosed.

(c) Seller shall notify Buyer as soon as possible in the event any action is taken by Seller prior to the Closing that reasonably could be expected to result in an Employment Loss; provided, that in no event shall such notice be given more than two (2) Business Days after any such action or less than two (2) Business Days prior to Closing. Such notices shall provide a reasonably detailed description of the relevant circumstances.

6.6 Exclusivity.

(a) Between the date of this Agreement and the Closing Date, the Seller agrees that neither the Seller, nor any of the Seller's Representatives, will take or permit any other Person on its behalf to take, directly or indirectly, any action to encourage, initiate, or engage in discussions or negotiations with, or provide any information to, any Person (other than the Buyer and its Representatives) concerning a possible sale, recapitalization or other disposition of the Seller, any equity interest in the Seller, or all or a substantial portion of the Seller's respective assets or any interests therein, or a management or lending arrangement with the Seller (each such transaction being referred to herein as a "Proposed Acquisition Transaction"). The Seller will, and will cause Seller's Representatives to, terminate any and all negotiations or discussions with any third party regarding any proposal concerning any Proposed Acquisition Transaction. The Seller hereby represents that it nor its Members have engaged in discussions or negotiations with any Person other than the Buyers and their Affiliates with respect to any Proposed Acquisition Transaction. The Seller agrees not to release any third party from, or waive any provision of, any confidentiality or stand-still agreement to which they (or any of them) are party.

(b) Before responding to any offer of a Proposed Acquisition Transaction, the Seller will (i) immediately notify the Buyer (orally and in writing) if any offer is made, any discussions or negotiations are sought to be initiated, any inquiry, proposal or contact is made, or any information is requested, with respect to any Proposed Acquisition Transaction, (ii) promptly notify the Buyer of the terms of any proposal that it may receive in respect of any such Proposed Acquisition Transaction, including, the identity of the prospective purchaser or soliciting party, (iii) promptly provide the Buyer with a copy of any such offer, if written, or a written summary in reasonable detail of such offer, if not in writing, and (iv) keep the Buyer informed of the status of such offer and the offeror's efforts and activities with respect thereto.

(c) The Seller hereby acknowledges and agrees that they will be liable for any actions taken by any Person in violation of this Section 6.6. Upon breach of any provisions of this Section 6.6, in addition, the Buyer will be entitled to injunctive relief. For the purposes of this Section 6.6(c), the Parties agree that the Buyer would suffer irreparable harm, no adequate remedy at law would exist for the Buyer, and the Buyer's damages would be difficult to ascertain.

6.7 Additional Financial Information. From the date hereof until the Closing Date, Seller will deliver to Buyer the additional financial information, which Buyer acknowledges that it would have direct access to such information, irrespective of Seller's provision, through Buyer's managing Affiliate, under the Interim Management Agreement, identified and as indicated below:

(a) within thirty (30) days after the end of each calendar month, Seller shall provide to Buyer copies of the unaudited balance sheets and the related unaudited statements of income and cash flows thereof for each month then ended and for the fiscal year-to-date then ended, in each case to be prepared in accordance with GAAP, except that footnotes may be omitted;

(b) within forty-five (45) days after the end of each fiscal quarter, Seller shall provide to Buyer copies of the unaudited balance sheet and the related unaudited statements of income and cash flows thereof for the fiscal quarter then ended and for the fiscal year-to-date then ended, in each case to be prepared in accordance with GAAP, except that footnotes may be omitted;

(c) within one hundred twenty (120) days after the end of each fiscal year, Seller shall provide to Buyer copies of the audited balance sheet and the related audited statements of income and cash flows thereof for the fiscal year then ended, in each case to be prepared in accordance with GAAP; and

(d) promptly after preparation, Seller shall provide to Buyer copies of any other financial or operating statements, reports or analyses prepared by or for management relating to Seller.

6.8 Certain Litigation. Seller shall give Buyer the option (which does not entail the obligation) to participate, at Buyer's sole cost and expense, in the defense or settlement of any third party litigation against Seller relating to the Transactions. Seller shall not agree to any compromise or settlement of such litigation without Buyer's consent.

6.9 Contract Compliance. Seller shall, upon notice from Buyer that any Contract to which Seller or any of its Affiliates is a party is not in compliance with Law, take commercially reasonable efforts to promptly modify such Contract so that it is in compliance with Law prior to the Closing.

6.10 Interim Management Agreement. In conjunction with the execution of this Agreement, the Parties shall enter into the Interim Management Agreement which shall commence as of the Execution Date.

6.11 Funding Advances.

(a) From time to time during the twelve (12) month period following the execution of this Agreement, subject to the terms of a Promissory Note substantially in the form attached hereto as Exhibit C, Buyer shall provide to Seller a series of loans or advances of funds (each, a "Funding Advance") to fund the ongoing operations of the Hospital, the sum of which Funding Advances shall not exceed Twenty Million Dollars ($20,000,000) in the aggregate.

Buyer shall provide Seller an initial Funding Advance of Five Million Dollars ($5,000,000) (the "Initial Funding Advance") within sixty (60) days following the date hereof, with additional Funding Advances to be made by Buyer to Seller on an as needed basis, as determined by Buyer in its sole discretion. As security for Seller's repayment of the Initial Funding Advance and any additional Funding Advances, Seller hereby grants to Buyer a lien and security interest in and to all real and personal property assets of Seller, whether now existing or hereinafter acquired, and hereby authorizes Buyer to file in any UCC jurisdiction any initial financing statement or amendments thereto indicating all assets of the debtor as the collateral description.

(b) Within twelve (12) months following the Closing Date (or prior to the third (3rd) anniversary following the closing date of the EREH/EMG SPA (the "EREH/EMG SPA Closing Date") if there has been no Closing hereunder), Buyer and Seller are to account and reconcile ("Accounting") any Funding Advance in excess of the Nine Million Six Hundred Thousand Dollars ($9,600,000) Purchase Price, and the amount that Buyer may have recouped through its Affiliates including, but not limited to, any recoupment Buyer, or its Affiliates received from any Management Fee or any liens under this Agreement, and pursuant to the calculations specified in this Section 6.11 (such amount, the "Repayment Amount"). To be clear, any Management Fee received by Buyer or it Affiliate(s) are to be deducted from the Repayment Amount. The Parties are to mutually agree on said Accounting, acting reasonably and in good faith with one another. On the third (3rd) anniversary following the EREH/EMG SPA Closing Date, and only as to the last Fifteen Million Dollars ($15,000,000) and accrued interest (the "Last Note Payment") due under the RE Note (as defined below), the Repayment Amount shall be offset under that certain Promissory Note executed by ECR Propco in favor of EREH and delivered under the EREH/EMG SPA (the "RE Note"), but only up to a maximum of Ten Million Dollars ($10,000,000) (the "Offset Max"); provided that, Buyer shall only be permitted off set such Repayment Amount if Buyer's efforts to manage and improve the Hospitals operations have resulted in additional accrual based revenue of One Million Five Hundred Thousand Dollars ($1,500,000) (on average) over the 6-month period commencing with the first day of the 4th month following the Execution Date, over the baseline net revenue of Six Million and One Hundred Thousand Dollars ($6,100,000) per month.

6.12 Agreements of EABS Lender. Seller is a guarantor of a term loan advanced by Seller's Affiliate, EABS III, LLC, a Delaware limited liability company (the "EABS Lender"), as lender, to EREH, as borrower, in the original principal amount of $10,250,000 (the "EABS Term Loan Indebtedness") which EABS Term Loan Indebtedness is secured by a lien on certain assets of Seller (the "EABS Lien"). Upon the execution of this Agreement, as an inducement to Buyer's entry into this Agreement, Seller and Buyer shall have entered into a Forbearance, Lien Collateral Release and Subordination Agreement with the EABS Lender pursuant to which the EABS Lender has agreed (i) to forbear from exercising its rights and remedies as to any and all defaults of EREH which may exist under the documents evidencing the EABS Term Loan Indebtedness until the Closing occurs or such earlier date specified therein; (ii) to release those assets of Seller which constitute Purchased Assets from the EABS Lien; and (iii) that the EABS Lien, as modified to exclude the Purchased Assets, will be subordinated to liens of Buyer on assets of Seller securing Seller's obligations to Buyer with respect to repayment of the Funding Advances made pursuant to Section 6.11 and the Management Fee owed under the Interim Management Agreement.

ARTICLE VII
EMPLOYEES AND EMPLOYEE BENEFITS

7.1 Offers of Employment. No later than fifteen (15) days prior to the Closing, Buyer shall make written offers of employment (subject to the Closing) to such number of Employees as it may elect in its sole discretion. All Employees who accept such offer of employment or otherwise report to work following Closing, shall hereinafter be referred to as the ("Transferred Employees") and will be hired by Buyer (of an Affiliate thereof) as of the Effective Time. Subject to Section 7.2, in making any offers to Employees, Buyer shall not change the nature of the employment of any Employee other than changing the Employee's employer (for example, Employees at will shall continue to be Employees at will).

7.2 Employment Terms; Employee Benefits.

(a) To the extent feasible, Buyer shall hire the Transferred Employees as of the Closing Date. To the extent feasible and subject to applicable Law, the Transferred Employees shall retain their seniority status for purposes of benefits. Each Transferred Employee will be treated by Buyer as employed with Buyer as of such individual's initial hire date with Seller for all purposes, except as otherwise required by Law.

(b) With respect to accrued but unused PTO earned by the Transferred Employees under the PTO policy of Seller prior to Closing, Buyer shall honor, and credit such Transferred Employees with such PTO ("Transferred PTO"). After the Closing Date, Buyer shall allow each Transferred Employee to use his or her Transferred PTO in accordance with the terms of the PTO policy of Seller as in effect immediately prior to the Closing Date..

(c) Buyer will not assume, before, on or after the Closing Date, any Seller Plan, or any rights, duties, obligations or liabilities thereunder, nor shall it become a successor employer or be responsible in any way for Seller's or a Controlled Group member's participation in or obligations or responsibilities with respect to any Seller Plan

(d) On and after the Closing Date, Seller shall be responsible for providing continuation coverage, as required by Section 4980B(f) of the Code and Part 6 of Title I of ERISA any similar law, including comparable state law ("COBRA"), or otherwise provided by Seller prior to the Closing Date to all Employees and former employees of Seller who are not Transferred Employees (and other "qualified beneficiaries", as defined under Section 607(3) of ERISA, under COBRA with respect to such employees) who have or have had a COBRA or other qualifying event (due to termination of employment with Seller or otherwise) prior to or as a result of the Closing. Seller shall also be responsible for any COBRA or other group health plan continuing coverage obligations in respect of Transferred Employees and any qualified beneficiaries in relation to such employees arising with respect to qualifying events that occur under Buyer's group health plan after the Closing Date.

(e) Prior to the Closing Date, Seller shall take all necessary actions to terminate Seller's Retirement Plan, effective immediately prior to the Closing. As soon as practicable following the Closing, Buyer shall cause Buyer's or its designated Affiliate's 401(k)

plan to accept direct rollovers of the balances of the accounts (including loans) maintained on behalf of any Transferred Employees under any Seller's Retirement Plan.

(f) With respect to any Seller Plan (including, without limitation, Seller's Retirement Plan), following Closing, Buyer shall make available to Seller (at no cost to Seller) the services of Transferred Employees who were involved with the administration of such plans prior to Closing, for the purpose of assisting Seller with the termination and wind-down of such plans (including, without limitation, the distribution of plan assets and the preparation and filing of annual returns and other required governmental filings).

7.3 No Right to Continued Employment; No Third Party Beneficiary. Subject to Section 7.2(a), nothing contained in this Agreement shall be construed to prevent the termination of employment of any individual Transferred Employee or any change in the benefits available to any such individual. No provision of this Agreement shall create any third party beneficiary or other rights in any current or former employee (including any beneficiary or dependent thereof) of Seller in respect, as applicable, of continued employment (or resumed employment) with either the Business or Buyer, and no provision of this Agreement will create any such rights in any such Persons in respect of any benefits that may be provided, directly or indirectly, under any Seller Plan or any plan or arrangement which may be established or maintained by Buyer. No provision of this Agreement will constitute a limitation on rights to amend, modify or terminate any Seller Plan, or on the right of Buyer to amend, modify or terminate any Buyer employee benefit plan.

ARTICLE VIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

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

8.1 Compliance With Covenants. All of the covenants and obligations that Seller us required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

8.2 Representations and Warranties. All of Seller's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall have been accurate as of the date of this Agreement and as of the time of the Closing as if then made, except where the failure of such representations and warranties to be accurate does not have or cause, individually or in the aggregate, a Seller Material Adverse Development. Each of the representations and warranties shall have been accurate in all material respects as of the date of this Agreement and shall be accurate in all respects as of the time of the Closing,.

8.3 Officers' Certificates. Seller shall have delivered to Buyer a certification of an appropriate officer to the effect that each of the conditions set forth in Section 8.1 and Section 8.2 have been satisfied in all material respects.

8.4 Approvals, Permits and Consents. Buyer shall have obtained documentation or other evidence reasonably satisfactory to Buyer that Seller has:

(a) received all Approvals that are required to:

(i) consummate the Transactions; and

(ii) enable Buyer to operate the Hospital and the Purchased Assets in the same manner as currently operated by Seller, in each case without any conditions that are unacceptable to Buyer in its sole and reasonable discretion;

(b) received all required Permits and Environmental Permits from all Governmental Entities whose approval is required to consummate the Transactions and for Buyer to operate the Hospital and Purchased Assets in the same manner as currently operated by Seller, or with respect to any such Permits and/or Environmental Permits that are not possible to obtain prior to Closing, Buyer and Seller shall have received assurances, reasonably satisfactory to Buyer, that such Permits and/or Environmental Permits shall be obtained promptly after Closing and retroactive to the Closing Date, in each case without any conditions that are unacceptable to Buyer in its sole and reasonable discretion; and

(c) all consents under the Assumed Contracts and Assumed Leases.

8.5 Due Diligence. Buyer shall have completed to its satisfaction (as determined by Buyer in its sole discretion) its diligence review of Seller, the Hospital and the Business.

8.6 Action/Proceeding/Litigation. No Governmental Entity shall have issued an Order restraining or prohibiting the Transactions. No Governmental Entity shall have commenced or threatened in writing to commence any action or suit before any court of competent jurisdiction or other Governmental Entity that seeks to restrain or prohibit the consummation of the Transactions or impose material damages or penalties in connection therewith. No Legal Proceeding relating to the Transactions shall be pending, unless the Parties agree that such Legal Proceeding does not constitute a material obstacle to the consummation of the Transactions in accordance with the terms hereof.

8.7 Repayment of Related Party Loan Indebtedness; Removal of Encumbrances on Purchased Assets. Seller shall have repaid in full or secured forgiveness of all Related Party Loan Indebtedness (other than the EABS Term Loan Indebtedness). All Encumbrances on the Purchased Assets created by or in connection with any Indebtedness have been removed, satisfied, discharged and terminated in full (and Seller shall, no more than three (3) Business Days in advance of Closing, deliver to Buyer any and all discharges or other evidence of satisfaction and termination in respect of any such Indebtedness or Seller shall deliver to Buyer no more than three (3) Business Days prior to Closing, pay-off letters with appropriate releases authorizing the removal of any such Encumbrances created by or in connection with such Indebtedness to be satisfied, discharged and terminated in full at Closing.

8.8 Seller Material Adverse Development. There shall have been no Seller Material Adverse Development.

8.9 Closing Deliveries. Seller shall have delivered (or be ready, willing and able to deliver at Closing) to Buyer all agreements and documents required to be delivered to Buyer at the Closing under this Agreement.

ARTICLE IX
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

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

9.1 Compliance With Covenants. All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects.

9.2 Representations and Warranties. All of Buyer's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), and each of these representations and warranties (considered individually), shall have been accurate as of the date of this Agreement and as of the time of the Closing as if then made, except where the failure of such representations and warranties to be accurate does not have or cause, individually or in the aggregate, a Buyer Material Adverse Development. Each of the representations and warranties in this Agreement that contains an express Buyer Material Adverse Development qualification shall have been accurate in all respects as of the date of this Agreement and shall be accurate in all respects as of the time of the Closing as if then made.

9.3 Officers' Certificates. Buyer shall have delivered to Seller a certification of an appropriate officer to the effect that each of the conditions set forth in Sections 9.1 and 9.2 have been satisfied in all material respects.

9.4 Approvals and Permits. Seller shall have obtained documentation or other evidence that:

(a) the Parties have received all Approvals that are required to: (i) consummate the Transactions and (ii) operate the Hospital and the Purchased Assets in the same manner as currently operated, in each case without any conditions that are unacceptable to Buyer in its sole and reasonable discretion; and

(b) all existing Permits and Environmental Permits that are transferrable to Buyer pursuant to Laws (including Environmental Laws) for the operation of the Hospital and Purchased Assets, have been, or following the Closing Date will be, transferred to Buyer, in each case with conditions that are reasonably acceptable to Buyer.

9.5 Action/Proceeding/Litigation. No Governmental Entity shall have issued an Order restraining or prohibiting the Transactions. No Governmental Entity shall have commenced or threatened in writing to commence any action or suit before any court of competent jurisdiction or other Governmental Entity that seeks to restrain or prohibit the consummation of the Transactions or impose material damages or penalties in connection

therewith. No Legal Proceeding relating to the Transactions shall be pending, unless the Parties agree that such Legal Proceeding does not constitute a material obstacle to the consummation of the Transactions in accordance with the terms hereof.

9.6 Buyer Material Adverse Development. There shall have been no Buyer Material Adverse Development.

9.7 Closing Deliveries. Buyer shall have delivered (or be ready, willing and able to deliver at Closing) to Seller all agreements and documents required to be delivered to Seller at the Closing under this Agreement.

ARTICLE X
TERMINATION

10.1 Termination. Notwithstanding anything in this Agreement to the contrary, this Agreement may not be terminated prior to the Closing, except as follows:

(a) by mutual consent in writing of Buyer, on the one hand, and Seller, on the other hand;

(b) by either Buyer, on the one hand, or Seller, on the other hand, if any permanent injunction, order, decree or ruling of any court or other Governmental Entity of competent jurisdiction permanently restraining, enjoining or otherwise preventing the consummation of the Transactions shall have been issued and become final and non-appealable;

(c) by either Buyer, on the one hand, or Seller, on the other hand, if the Closing shall not have occurred on or before the Outside Date; provided, however, that the right to terminate this Agreement pursuant to this Section 10.1(c) shall not be available to any Party, to include its Affiliates, whose breach or failure to perform any material covenant or obligation under this Agreement has been the primary cause or primarily resulted in the failure of the Closing to have occurred on or before the Outside Date;

(d) by Buyer in the event of a termination of the Interim Management Agreement;

(e) by Buyer, if there has been a violation or breach in any material respect of any representation, warranty, covenant or agreement of Seller set forth in this Agreement, which violation or breach would cause any of the conditions set forth in Article VIII not to be satisfied, and such violation or breach has not been waived by Buyer or cured by Seller, as the case may be, within twenty (20) Business Days after notice thereof is given by Buyer (it being understood that, for purposes of determining the accuracy of such representations and warranties as of the date of this Agreement or as of any subsequent date; provided, however, that notwithstanding the foregoing, the right to terminate this Agreement under this Section 10.1(e) shall not be available to Buyer if Buyer's actions or failure to act under this Agreement whether it be through its managing Affiliate, or otherwise, shall have been a primary cause of, or resulted in such violation or breach;

(f) by Seller, if there has been a violation or breach in any material respect of any representation, warranty, covenant or agreement of Buyer set forth in this Agreement, which violation or breach would cause any of the conditions set forth in Article IX not to be satisfied, and such violation or breach has not been waived by Seller or cured by Buyer, as the case may be, within twenty (20) Business Days after notice thereof is given by Seller (it being understood that, for purposes of determining the accuracy of such representations and warranties as of the date of this Agreement or as of any subsequent date; provided, however, that notwithstanding the foregoing, the right to terminate this Agreement under this Section 10.1(f) shall not be available to Seller if Seller's actions or failure to act under this Agreement shall have been a primary cause of, or resulted in such violation or breach;

(g) by Buyer, immediately by written notice to Seller if any event occurs or fact or condition exists which makes it impossible for Seller to satisfy, or causes Seller to be unable to satisfy, one or more conditions to the obligations of Buyer to consummate the Transactions as set forth in Article VIII prior to the Outside Date; or

(h) by Seller, immediately by written notice to Buyer if any event occurs or fact or condition exists which makes it impossible for Buyer to satisfy, or causes Buyer to be unable to satisfy, one or more conditions to the obligation of Seller to consummate the Transactions as set forth in Article IX prior to the Outside Date.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, then all further obligations of the Parties under this Agreement shall terminate without further liability of any Party to another; provided, however, that:

(a) The Interim Management Agreement shall automatically terminate and have no further force and effect except as otherwise provided therein.

(b) the obligations of the Parties contained in Section 6.11 (Funding Advances), Section 12.1 (Confidentiality), Section 12.13 (Public Statements) and Article XIV shall survive any such termination; and

(c) a termination under Section 10.1 not relieve any Party of any liability for a breach of, or for any misrepresentation under this Agreement, or be deemed to constitute a waiver of any available remedy (including specific performance, if available) for any such breach or misrepresentation.

ARTICLE XI
TAXES

11.1 Transfer Taxes. The Parties shall endeavor to effect the transfer of the Hospital and the Purchased Assets in a manner that minimizes the total amount of Transfer Taxes incurred in connection with the Transactions. The Party that has the primary obligation to file any Tax Return that is required to be filed under this Agreement shall prepare and file such return after providing the other Party with the opportunity to review and approve such Tax Return, which approval shall not be unreasonably withheld, conditioned or delayed. The Parties agree to cooperate with each other in connection with the preparation and filing of all Tax Returns required in connection with the Transaction, and shall further cooperate in obtaining all available

exemptions, if any, and in timely providing each other with resale certificates or other documents necessary to satisfy any such exemptions.

11.2 Cooperation on Tax Matters. The Parties shall furnish or cause to be furnished to each other, as promptly as practicable following the request therefor, such information and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax Return, Claim for refund or other filings relating to Tax matters, for the preparation for and defense of any Tax audit, for the preparation of any Tax protest, or for the prosecution or defense of any suit or other proceeding relating to Tax matters. The obligation under this Section 11.2 shall survive Closing.

11.3 Straddle Period Allocation. For purposes of this Agreement, in the case of any Straddle Period, (a) Property Taxes and refunds thereof allocable to the Pre-Closing Tax Period and the Post-Closing Tax Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days during the Straddle Period that are in the Pre-Closing Tax Period and the Post-Closing Tax Period, respectively, and the denominator of which is the number of calendar days in the entire Straddle Period and (b) Taxes (other than Property Taxes) and refunds thereof for the Pre-Closing Tax Period shall be computed as if such taxable period ended as of the close of business on the Closing Date and for the Post-Closing Tax Period shall be computed as if such taxable period began on the day after the Closing Date. The Party that has the primary obligation to do so under applicable Law shall file any Tax Return that is required to be filed in respect of Taxes described in this Section 11.3, and such Party shall pay when due the Taxes shown on such Tax Return. To the extent any such Taxes paid by Buyer (or refunds thereof) are allocable to the Pre-Closing Tax Period or Taxes paid by Seller (or refunds thereof) are allocable to the Post-Closing Tax Period, as determined pursuant to the first sentence of this Section 11.3, Seller shall pay to Buyer and Buyer shall pay to Seller, as appropriate, such proportionate amount promptly after the payment of such Taxes (or receipt of such refund).

ARTICLE XII
ADDITIONAL COVENANTS

12.1 Confidentiality. Seller agrees and acknowledges on behalf of itself and its Affiliates that Buyer would be irreparably damaged if the confidential or proprietary knowledge of Seller or any of its Affiliates regarding the affairs and know-how of the Business were disclosed and Seller covenants and agrees that Seller will not, and Seller will cause its Affiliates not to, at any time after the Closing Date, without the prior written consent of Buyer, disclose any such confidential or proprietary information; provided, however, that the restrictions set forth in this Section 12.1 shall not apply to any information that (a) becomes generally available to the public other than as a result of a disclosure by Seller or its Affiliates or any advisers or representatives of any of them in violation of this Agreement or (b) becomes available to Seller or its Affiliates on a non-confidential basis from a third party other than Buyer or its advisors or representatives, acting in such capacity, provided that such third party is not bound by a confidentiality agreement with or other obligation of secrecy to Buyer or any other party with respect to such information. The provisions of this Section 12.1 shall supersede the Confidentiality Agreement.

12.2 Exclusivity. From and after the date hereof until the Closing Date, Seller agrees that neither Seller nor any of its Affiliates will, either directly or indirectly through their respective shareholders, members, directors, managers, officers, employees, agents and representatives: (a) solicit, initiate, facilitate, or encourage any inquiries or the making of any Alternative Transaction; (b) engage or participate in discussions or negotiations with any Person or group of Persons with respect to any Alternative Transaction; or (c) enter into any agreement, arrangement or understanding requiring it to abandon or terminate this Agreement.

12.3 Remedies. In the event of a breach of Section 12.1 the Parties recognize that monetary damages shall be inadequate to compensate the non-breaching Party, and the non-breaching Party shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the costs (including reasonable attorneys' fees) of successfully securing such injunction to be borne by the breaching Party. Except for the Limitation of Liability, as defined in Article XIII herein, nothing contained herein shall be construed as prohibiting the non-breaching Party from pursuing any other remedy available to it for such breach or threatened breach. The Parties hereby acknowledge the necessity of protection described in Section 12.1 and that the nature and scope of such protection has been carefully considered by them. If any court determines that the forgoing restrictions are not reasonable, then such restrictions shall be modified, rewritten or interpreted to include as much of their nature and scope as will render them enforceable.

12.4 Assumed Contracts/Leases.

(a) At Closing, (x) Seller shall assign to and Buyer shall assume each of the Assumed Contracts and Assumed Leases, and (y) after such assignment, Buyer shall pay, assume and perform and discharge the Assumed Liabilities (if any) under the Assumed Contracts and Assumed Leases.

(b) To the extent that any Assumed Contract or Assumed Lease is not capable of being assigned (any such Assumed Contract or Assumed Lease being referred to herein as a "Non-assignable Contract"), nothing in this Agreement shall constitute an assignment or an attempted assignment thereof prior to the time at which all consents necessary for such assignment shall have been obtained. To the extent that any Non-assignable Contract may be assigned with the consent of a third party, Seller shall use commercially reasonable efforts to obtain the consent to the assignment of such Non-assignable Contract, and Buyer shall reasonably cooperate with its efforts. If the consents referred to in the immediately preceding sentence are not obtained, then to the extent requested by Buyer, Seller shall, during the term of the affected Non-assignable Contract, use commercially reasonable efforts to (i) provide to Buyer the benefits under any such Non-assignable Contract, (ii) cooperate in any reasonable and lawful arrangement designed to provide such benefits to Buyer, and (iii) enforce for the account of Buyer, any rights of Seller under the affected Non-assignable Contract (including the right to elect to terminate such Non-assignable Contract in accordance with the terms thereof upon the written direction of Buyer) and for the period that Buyer is receiving the benefit that would otherwise inure to Seller under the Non-assignable Contract, Buyer will be responsible for the obligations of Seller under the Non-assignable Contract relating to such period. Subject to Seller's compliance with its obligations under this Agreement, failure to obtain consent to the assignment of a Non-assignable Contract shall not constitute a violation or breach of, or default

under, this Agreement, and shall not entitle Buyer to terminate this Agreement under Section 10.1 of this Agreement. Buyer shall cooperate with Seller to enable Seller to provide to Buyer the benefits contemplated by the immediately preceding sentence. Seller shall pay over to Buyer any amounts received by Seller after the Closing as a result of performance by Buyer of such Non-assignable Contracts, which payment shall be made promptly, but in no event more than ten (10) days following receipt thereof by Seller. Buyer shall not be released from any obligation to indemnify Seller pursuant to the terms of this Agreement with respect to any such Contracts except that Buyer shall not have any obligation to indemnify Seller pursuant to the terms of this Agreement with respect to any Contract that:

(i) is not assigned, novated, subleased or subcontracted unless the failure to assign, novate, sublease or subcontract such Contract was caused by any act or failure to act of Buyer;

(ii) the performance obligations of Seller thereunder are not permitted by such Contract to be deemed to be subleased or subcontracted; or

(iii) Buyer cannot receive the material benefit of such Contract despite Buyer's reasonable efforts to perform thereunder.

12.5 Accounts Receivable; Straddle Patients; Allocations.

(a) Accounts Receivable Proceeds; Post Closing Straddle Patients. The following provisions shall apply with respect to collections of the Hospital's Accounts Receivable as of and following the Closing Date:

(i) The proceeds from all Accounts Receivable of the Hospital for services rendered prior to the Closing Date belong solely to Seller regardless of when such amounts are collected (the "Pre-Closing A/R Proceeds), and the proceeds from all Accounts Receivable of the Hospital for services rendered from and after the Closing, including, without limitation, prior to the Tie-in Date (as defined in subpart (iii) below) belong solely to Buyer (the "Post-Closing A/R Proceeds").

(ii) The Parties acknowledge that on the Closing Date, there will be inpatients of the Hospital who may be discharged following the Closing Date (the "Closing Date Straddle Patients"), which shall be treated as follows:

(A) Seller shall be entitled to payment for all specific procedures performed for the Closing Date Straddle Patients prior to the Closing Date; and (B) Buyer shall be entitled to payment for all specific procedures performed for the Closing Date Straddle Patients on or after the Closing.

(B) All amounts that are not identified with specific procedures shall be allocated between Seller and Buyer as follows: (I) Seller shall be allocated an amount equal to the Unspecified Amount multiplied by a fraction, the numerator of which is the number of consecutive days that the patient was an inpatient at the Hospital up to the date prior to the Closing Date and the denominator of which is the total number of consecutive days that the patient was an inpatient (which for purposes hereof includes the date of admission and the date

of discharge); and (II) Buyer shall be allocated an amount equal to the Unspecified Amount less that amount allocated to Seller under subpart (I) immediately above. Seller shall promptly (and in no event later than three (3) Business Days) remit to Buyer Buyer's allocated share of any amounts received by Seller after the Closing Date in respect of such invoices, and Buyer shall promptly remit to Seller, Seller's allocated share of any amounts received by Buyer after the Closing Date in respect of such invoices.

(iii) With respect to services provided to Medicare inpatients following the Closing and until the Tie-in Date, as permitted by CMS and subject to applicable Law, Buyer (and/or its authorized agent) will bill the Medicare program and collect for all inpatient services provided at the Hospital (including, without limitation, to the Closing Date Straddle Patients), in each case using the Hospital's billing information (in effect as of the Closing) until such time as the Tie-in Date when Buyer can commence billing and collecting for such inpatient services directly under its own billing information. The "Tie-in Date" shall mean the date upon which the change of ownership identifying Buyer as the new owner of the Medicare provider number(s) of the Hospital is approved by CMS.

(iv) Following the Closing, Buyer shall provide to Seller, on a bi-weekly basis, an accounting which details (A) the proceeds of all Accounts Receivable related to inpatient services provided to any Closing Date Straddle Patient and Pre-Closing A/R Proceeds received during the immediately preceding two (2) weeks, and (B) the portion of each Closing Date Straddle Patient payment which is received during the immediately preceding two (2) weeks and which is allocable to Buyer pursuant to the terms hereof. Any dispute as to the amount of proceeds payable to Seller and/or Buyer hereunder with respect to any Closing Date Straddle Patient shall be reasonably determined by Buyer.

(b) Post-Closing Accounts Receivable.

(i) Duties; Obligations. Following the Closing, Seller shall:

(A) permit, and hereby authorize, Buyer to collect, in the name of Seller, all Accounts Receivable for services rendered from and after the Closing Date (and to endorse with the name of Seller) for deposit in Buyer's account any checks or drafts received in payment thereof and not cause any such Accounts Receivable to be deposited in any account other than the A/R Bank Accounts (which shall be solely controlled by Buyer);

(B) pay over, or cause to be paid over, to Buyer, without right of set-off, within three (3) Business Days of receipt (and until so paid, shall hold in trust for Buyer) all amounts received by Seller and its Affiliates in respect of the Accounts Receivable;

(C) provide Buyer with all information available to permit Buyer to correctly apply such amounts; and

(D) cooperate with Buyer to cause all future payments and reimbursements to be paid directly to Buyer or its designee.

12.6 Additional Acts. From time to time after Closing, the Parties shall execute and deliver, or cause it Affiliates to execute and deliver, such other instruments of conveyance and

transfer, and take such other actions as any other Party reasonably may request, to convey and transfer full right, title and interest to, vest in and place Buyer in legal and actual possession and benefit of, any and all of the Purchased Assets.

12.7 Seller's Cost Reports. Seller shall timely prepare and submit all Cost Reports relating to Seller for cost report periods ending on or prior to the Closing Date or which are required as a result of the consummation of the Transactions, including terminating Cost Reports for the Government Reimbursement Programs ("Seller's Cost Reports"). Seller's Cost Reports shall be prepared in accordance with applicable Law. Upon reasonable advance notice, Buyer shall provide Seller during normal business hours with the assistance of its personnel and access to such documents and information, as reasonably requested by Seller to enable Seller to timely prepare and file Seller's Cost Reports. Buyer shall not be deemed to be the "preparer" of Seller's Cost Reports as a result of such assistance. Seller shall furnish to Buyer copies of Seller's Cost Reports, correspondence, work papers and other documents relating to Seller's Cost Reports.

12.8 Post-Closing Access to Information. Buyer and Seller acknowledge that, after the Closing, Buyer and Seller may each need access to information, documents or computer data in the control or possession of the other concerning the Purchased Assets, Hospital, Assumed Liabilities or Excluded Liabilities for purposes of concluding the Transactions and for audits, investigations, compliance with governmental requirements, regulations and requests, and the prosecution or defense of third party Claims. Accordingly, Buyer agrees that, at the sole cost and expense of Seller, at Seller's request, it will make available to Seller and its agents, independent auditors and/or Governmental Entities such documents and information as may be available relating to the Purchased Assets, the Hospital, the Assumed Liabilities and Excluded Liabilities in respect of periods prior to Closing and will permit Seller to make copies of such documents and information. Seller agrees that, at the sole cost and expense of Buyer, Seller will make available to Buyer and its agents, independent auditors and/or Governmental Entities such documents and information as may be in the possession of Seller or its Affiliates relating to the Purchased Assets, Hospital and Assumed Liabilities in respect of periods prior to the Closing and will permit Buyer to make copies of such documents and information through a period of eighteen (18) months following the Closing. After the Closing Date, Buyer shall retain for a period consistent with Buyer's record-retention policies and practices, those records of Seller delivered to Buyer.

12.9 Seller's Remedial Actions. If Seller has failed to fulfill prior to Closing any of its obligations set forth herein, and Buyer has elected to close notwithstanding such deficiency or deficiencies, Seller shall nevertheless use its reasonable commercial efforts to correct such deficiency or deficiencies as promptly as practicable after Closing, and their non-fulfillment shall not be deemed waived by Buyer unless specifically so stated in writing by Buyer.

12.10 Seller Intellectual Property. Seller shall take any and all reasonable actions and shall cause its Employees, contractors and consultants, as applicable, to take any and all reasonable actions (including executing documents) necessary to effectuate the transfer of the Seller Intellectual Property to Buyer and, following the Closing, Seller shall take any and all reasonable actions to allow Buyer to prosecute, maintain and defend the Seller Intellectual Property.

12.11 Use of Controlled Substances Permits. To the extent permitted by applicable Law, Buyer shall have the right, for a period not to exceed one hundred twenty (120) days following the Closing Date, to operate under the licenses and registrations of Seller relating to controlled substances and the operations of pharmacies and laboratories, until Buyer is able to obtain such licenses and registrations for itself, pursuant to an agreement in a form to be mutually agreed upon by the Parties (the "Limited Power of Attorney"), which Seller agrees to execute and deliver at the Closing.

12.12 Use of Names. Seller shall take all action that is necessary and appropriate to enable Buyer to operate and do business as "CareWell Health Medical Center" or any versions thereof as of the Closing Date. After the Closing, (x) Seller shall not adopt any trademarks or service marks that are confusingly similar to the trademarks and service marks assigned hereunder, and (y) neither Seller nor any of its Affiliates shall challenge Buyer's use of, or the validity and enforceability of, any Intellectual Property assigned to Buyer hereunder.

12.13 Public Statements. Any public announcement, press release or similar publicity with respect to this Agreement or the Transactions will be issued, if at all, at such time and in such manner as the Parties mutually determine. Except with the prior consent of Buyer or as permitted by this Agreement or as required by Law or as required in connection with the submission of the CN Application, neither Seller nor any of its Representatives shall disclose to any Person (a) the fact that any confidential information of Seller has been disclosed to Buyer or its Representatives, that Buyer or its Representatives have inspected any portion of the such confidential information, that any confidential information of Buyer has been disclosed to Seller or its Representatives or that Seller or its Representatives have inspected any portion of such confidential information or (b) any information about the Transactions, including the status (or existence) of such discussions or negotiations, the execution of any documents (including this Agreement) or any of the terms of the Transactions or the related documents (including this Agreement). Seller and Buyer will consult with each other concerning the means by which Seller's employees, customers, suppliers and others having dealings with Seller will be informed of the Transactions, and Buyer will have the right to be present for any such communication.

12.14 WARN Obligations. Buyer is required to hire at least seventy (70) percent of the Employees, or such number of Employees in excess of the amount required so as not to trigger any notice provision or liability under the WARN Act, and any failure to not so comply, and any liability that arises therefrom shall be borne by Buyer.

ARTICLE XIII
INDEMNIFICATION

13.1 Survival of Representations and Warranties. Except as otherwise provided in this Article XIII, all representations, warranties, covenants and agreements of the Parties in this Agreement or any other certificate or document delivered pursuant to this Agreement will survive the Closing. All representations and warranties of the Parties shall survive for one (1) year following the Closing Date.

13.2 Indemnification by Seller. Seller shall indemnify, defend and hold harmless Buyer and its Affiliates, officers, directors, managers, employees, stockholders, partners,

members, agents, representatives, successors and permitted assigns (collectively, the "Buyer Indemnified Persons"), from and against any loss, Liability, Claim, damage or expense (including costs of investigation and defense and reasonable attorneys' fees and expenses), whether or not involving a Third-Party Claim (collectively, "Damages"), and any such Damages sought by Buyer is limited to and capped at Fifty Thousand Dollars ($50,000), the recoupment of which is only permitted as an offset of the Last Note Payment due under the RE Note, and further limited to the net available of the Offset Max (the "Limitation of Liability"). Furthermore, under no circumstance shall there be any personal liability of any of the Members of Seller. Damages are those arising from or in connection with:

(a) any breach of or any inaccuracy in any of the representations and warranties made herein by Seller or in any Ancillary Agreements or in any certificate delivered by or on behalf of Seller hereunder at or prior to the Closing;

(b) any breach of or failure to perform any of the covenants or agreements made herein by Seller, including the failure of Seller to cause any Affiliate to take, or refrain from taking, any action;

(c) any Healthcare Program Liabilities arising or relating to any time prior to the Closing Date;

(d) Seller's Transaction Expenses; and

(e) the Excluded Assets and Excluded Liabilities.

13.3 Indemnification by Buyer. Buyer shall indemnify, defend and hold harmless Seller and its Affiliates, officers, directors, trustees, employees, stockholders, partners, members, agents, representatives, successors and permitted assigns (collectively, the "Seller Indemnified Persons"), from and against any Damages arising from or in connection with:

(a) any breach of or any inaccuracy in any of the representations and warranties made herein of by Buyer or in any certificate delivered by or on behalf of Buyer hereunder at or prior to the Closing;

(b) any breach of or failure to perform any of the covenants or agreements made herein by Buyer; and

(c) the Assumed Liabilities.

13.4 Third-Party Claims.

(a) Promptly after receipt by a Person entitled to indemnity under Section 13.2 or Section 13.3 (an "Indemnified Person") of notice of the assertion of a Third-Party Claim against it, such Indemnified Person shall give notice to the Person or Persons obligated to indemnify under such Section (each, an "Indemnifying Person") of the assertion of such Third-Party Claim, provided that the failure to notify an Indemnifying Person will not relieve the Indemnifying Person of any Liability that it may have to any Indemnified Person, except to the extent that the Indemnifying Person demonstrates actual loss and that the defense of

such Third-Party Claim is materially prejudiced by the Indemnified Person's failure to give such notice.

(b) If an Indemnified Person gives notice to the Indemnifying Person pursuant to Section 13.4(a) of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a Person against whom the Third-Party Claim is made and the Indemnified Person determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel reasonably satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this Article XIII for any fees of other counsel or any other expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation.

(c) If the Indemnifying Person assumes the defense of a Third-Party Claim:

(i) such assumption will conclusively establish for purposes of this Agreement that the Claims made in that Third-Party Claim are within the scope of and subject to indemnification; and

(ii) no compromise or settlement of such Third-Party Claims may be effected by the Indemnifying Person without the Indemnified Person's consent unless:

(A) there is no finding or admission of any violation of Law or any violation of the rights of any Person;

(B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and

(C) the Indemnified Person shall have no Liability with respect to any compromise or settlement of such Third-Party Claims effected without its consent. If notice is given to an Indemnifying Person of the assertion of any Third-Party Claim and the Indemnifying Person does not, within ten (10) days after the Indemnified Person's notice is given, give notice to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person will be bound by any determination made in such Third-Party Claim or any compromise or settlement effected by the Indemnified Person.

(d) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise or settle such Third-Party Claim, but the Indemnifying Person will not be bound by any determination of any Third-

Party Claim so defended for the purposes of this Agreement or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(e) Notwithstanding the provisions of Section 14.1, Seller hereby consents to the nonexclusive jurisdiction of any court in which a Legal Proceeding in respect of a Third-Party Claim is brought against any Buyer Indemnified Person for purposes of any Claim that a Buyer Indemnified Person may have under this Agreement with respect to such Legal Proceeding or the matters alleged therein.

(f) With respect to any Third-Party Claim subject to indemnification under this Article XIII: (i) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other Person fully informed of the status of such Third-Party Claim and any related Legal Proceedings at all stages thereof where such Person is not represented by its own counsel; and (ii) the Parties agree (each at its own expense) to render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.

(g) With respect to any Third-Party Claim subject to indemnification under this Article XIII, the Parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all confidential information and the attorney-client and work-product privileges. In connection therewith, each Party agrees that:

(i) it will use its commercially reasonable best efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of confidential information (consistent with applicable law and rules of procedure); and

(ii) all communications between any party hereto and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

(h) Notwithstanding anything to the contrary in this Section 13.4, Buyer may in its sole discretion assume control of any Remediation, Legal Proceeding or Third-Party Claim relating to an Environmental, Health and Safety Liability without prejudice to or in any way limiting, releasing or waiving any Indemnifying Person's obligations hereunder to indemnify and hold Buyer harmless and Buyer's rights to indemnification and being held harmless.

13.5 Other Claims. A Claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice to the Party from whom indemnification is sought and shall be paid promptly after such notice.

13.6 Other. For purposes of determining the existence and amount of Damages resulting from the breach or inaccuracy of any representation or warranty, all qualifications or exceptions in any representation or warranty relating to or referring to the terms "Seller's Knowledge", "material", "materiality", "in all material respects", "Material Adverse Development" or any similar term or phrase shall be disregarded. Further, the representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any

investigation made by or on behalf of the Indemnified Party or by reason of the fact that the Indemnified Party or any of its representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

ARTICLE XIV
GENERAL

14.1 Choice of Law; Dispute Resolution.

(a) Choice of Law. The Parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey, without giving effect to any choice or conflict of law provision or rule thereof that would require the application of any other law.

(b) Specific Performance. Notwithstanding anything to the contrary contained herein, each Party acknowledges and agrees that the non-breaching Parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone, Accordingly, the non-breaching Parties shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without post any bond or other undertaking.

(c) EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

14.2 Benefit; Assignment. No Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties, except that Buyer, subject to Seller's reasonable consent, may assign any of its rights and delegate any of its obligations under this Agreement to any Affiliate of Buyer and Buyer may collaterally assign its rights hereunder to any financial institutions and noteholders (and any agent or trustee acting on its behalf) providing financing to Buyer and its Affiliates. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the Parties any legal or equitable right, remedy or Claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section 14.2.

14.3 Cost of Transaction. Whether or not the Transactions shall be consummated and except as otherwise provided herein, the Parties agree as follows:

(a) Except as provided otherwise elsewhere herein, Seller will pay the fees, expenses and disbursements of Seller and its Representatives incurred in connection with the

subject matter hereof and any amendments hereto including without limitation the costs and expenses allocated with obtaining any Approvals and Permits from Governmental Entities that are the responsibility of Seller hereunder.

(b) Except as provided otherwise elsewhere herein, Buyer shall pay the fees, expenses and disbursements of Buyer and its Representatives incurred in connection with the subject matter hereof and any amendments hereto including without limitation the costs and expenses allocated with obtaining any Approvals and Permits from Governmental Entities that are the responsibility of Buyer hereunder.

(c) Seller shall be responsible for and shall pay any sales, use, stamp, realty transfer and documentary stamp taxes, and any and all other costs or expenses incident to the Closing or the recordation of the Leasehold Assignments.

(d) Buyer shall be responsible for and pay any fees, expenses or costs pertaining to any inspections, studies, test, review and analyses of the Purchased Assets.

14.4 No Third-Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of Buyer, Seller, Buyer Indemnified Persons, Seller Indemnified Persons and their respective permitted successors or assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other Person.

14.5 Waiver. Except where a specific period for action or inaction is provided herein, neither the failure nor any delay on the part of any Party hereto in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party hereto of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of a Party hereto to exercise any right conferred herein within the time required shall cause such right to terminate with respect to the transaction or circumstances giving rise to such right, but not to any such right arising as a result of any other transactions or circumstances.

14.6 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a Party:

(i) when sent if delivered by electronic mail;

(ii) when delivered or sent if delivered in person or sent by facsimile transmission (provided confirmation of facsimile transmission is obtained);

(iii) on the fifth (5th) Business Day after dispatch by registered or certified mail; and

(iv) on the next Business Day if transmitted by national overnight courier, in each case to the following addresses and marked to the attention of the person (by name or title) designated below (or to such other address as a Party may designate by notice to the other Parties):

If to Seller: EOH Acquisition Group, LLC,
d/b/a CareWell Health Medical Center
1 university plaza
Suite 408
Hackensack, nj 07601
Attn: Benjamin Klein
Email: bklein@mtsconsulting.com

with a copy to: Paige Dworak
10 Murphy Court
Blauvelt NY 10913
Attn: Paige Dworak
Email: Paige.Dworak@carewellhealth.org

If to Buyer:

ECR Opco, LLC
c/o Anthony Degradi
103 Waterview Drive
Sound Beach, NY 11789
Attn: Feliks Kogan
Email: kogan.surgicore@gmail.com

with a copy to: Epstein Becker & Green, P.C.
One Gateway Center
Newark, NJ 07102
Attn: Gary W. Herschman, Esq.
Anjana D. Patel, Esq.
Email: gherschman@ebglaw.com
adpatel@ebglaw.com

14.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

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

14.9 No Inferences. Each Party has participated in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations between the Parties. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if

drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision.

14.10 Tax and Regulatory Advice and Reliance. Except as expressly provided in this Agreement, none of the Parties (nor any of the Parties' respective counsel, accountants or other representatives) has made or is making any representations to any other Party (or to any other Party's counsel, accountants or other representatives) concerning the consequences of the Transactions under applicable Laws (including applicable Tax Laws and any Health Care Laws), and each Party has relied solely upon the advice of its own employees or of representatives engaged by such Party and not on any such advice provided by any other Party.

14.11 Entire Agreement; Amendment. This Agreement supersedes all previous Contracts and constitute the entire agreement of whatsoever kind or nature existing between or among the Parties representing the within subject matter, and no Party shall be entitled to benefits other than those specified herein. As between or among the Parties, no oral statement or prior written material not specifically incorporated herein shall be of any force and effect. This Agreement may not be amended, supplemented or otherwise modified except by a written agreement executed by the Party to be charged with the amendment.

14.12 Execution of this Agreement. This Agreement may be executed in multiple counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. A signature delivered by facsimile or PDF will be sufficient for all purposes among the Parties.

[SIGNATURE PAGES FOLLOW]

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

SELLER:

EOH ACQUISITION GROUP, LLC, D/B/A CAREWELL HEALTH MEDICAL CENTER

By: Benjamin Klein
Name: Benjamin Klein
Title: Manager

On this 19th day of August, 2024, I, Benjamin Klein, certify that, to my knowledge, the representations and warranties made by the Seller herein (as modified by the corresponding Disclosure Schedules) are accurate and complete and not misleading in any material manner.

Benjamin Klein
Benjamin Klein

BUYER:

ECR OPCO, LLC

By:_____
Name: Feliks Kogan
Title: Manager

[Signature Page to Asset Purchase Agreement]

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

SELLER:

EOH ACQUISITION GROUP, LLC, D/B/A CAREWELL HEALTH MEDICAL CENTER

By:_____
Name: Benjamin Klein
Title: Manager

On this 19th day of August, 2024, I, Benjamin Klein, certify that, to my knowledge, the representations and warranties made by the Seller herein (as modified by the corresponding Disclosure Schedules) are accurate and complete and not misleading in any material manner.

_____
Benjamin Klein

BUYER:

ECR OPCO, LLC

By:_____
Name: Feliks Kogan
Title: Manager

[Signature Page to Asset Purchase Agreement]

Exhibit A

Definitions

"Accounts Receivable" means all accounts and notes receivable, pledges and grants receivable, unbilled invoices, rights to settlement and positive retroactive adjustments, if any, for open cost reporting periods, other rights to receive payment for goods and services provided by Seller in connection with the Business, whether recorded or unrecorded, including any amounts due from patients, Private Health Plans, Governmental Entities and Government Reimbursement Programs or any other source.

"Affiliate" means, as to the Person in question, any Person that directly or indirectly controls, is controlled by, or is under common control with, the Person in question and any successors or assigns of such Person; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by appointment of trustees, directors, and/or officers, by Contract or otherwise. For purposes of this Agreement, and for the avoidance of doubt, the term "Affiliate" (i) as to Seller, shall not be deemed to include any member of Buyer Group, and (i) as to Buyer, shall not be deemed to include Seller, EREH, EMG or EHPUR, in each case by virtue of the ownership interests acquired by the Buyer Group Entities in Seller under the Investor SPA and in EREH or EMG under the EREH/EMG SPA.

"Agreement" has the meaning set forth in the Preamble.

"Allocation" has the meaning set forth in Section 2.7.

"Alternative Transaction" means a transaction or series of related transactions pursuant to which Seller or any of its Affiliates sell, transfer, lease or otherwise dispose of, directly or indirectly, including through an asset sale, stock sale, merger, reorganization or other similar transaction (by Seller or otherwise), including pursuant to a stand-alone plan of reorganization or refinancing, all or substantially all of the Purchased Assets or the Business (or agree to do any of the foregoing) in a transaction or series of transactions to a Person or Persons other than Buyer or a member of Buyer Group and excluding the transactions contemplated by this Agreement, the EREH/EMG SPA or the Investor SPA.

"Ancillary Agreements" means, as to any Party hereto, all of the documents and instruments required to be executed pursuant to this Agreement by such Party in connection with this Agreement or the transactions contemplated hereby, including, without limitation, the Interim Management Agreement.

"Approval" means any approval, authorization, certificate of need, exemption, consent, clearance, notice, qualification or registration, or any extension, modification, amendment or waiver of any of the foregoing, of or from, or any notice, statement, filing or other communication to be filed with or delivered to, any Governmental Entity, but excludes Environmental Permits.

"A/R Bank Accounts" means the bank account of the Seller where all Accounts Receivable are currently deposited, either electronically or manually.

"Architectural Plans" means site plans, architectural renderings, blueprints, plans and specifications, engineering plans, as-built drawings, floor plans and other similar plans or diagrams, if any, held or used by Seller in connection with the Business.

"Assumed Contracts" has the meaning set forth in Section 2.1(e).

"Assumed Leases" has the meaning set forth in Section 2.1(a).

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Audited Balance Sheet" has the meaning set forth in Section 4.7(a)(i).

"Buildings and Systems" has the meaning set forth in Section 4.14(d).

Bulk Sales Escrow Agent" means Epstein Becker & Green, P.C., who shall hold the Bulk Sales Transfer Amount in accordance with the Bulk Sale Escrow Agreement.

"Bulk Sales Escrow Agreement" has the meaning set forth in Section 2.6(a).

"Bulk Sales Law" has the meaning set forth in Section 2.9.

"Bulk Sales Liabilities" has the meaning set forth in Section 2.9.

"Bulk Sales Transfer Amount" means the amount of the Purchase Price required by the Division to be escrowed by the Parties with respect to any Tax obligation of Seller owed in connection with the sale of the Purchased Assets, or such other amount that the Division sets forth in any subsequent demand letter.

"Business" means the business, operation or ownership of the Hospital as currently being conducted by Seller.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New Jersey are authorized or required by Law to close.

"Buyer" has the meaning set forth in the Preamble.

"Buyer Group" means the Buyer Group Entities and the Buyer Group Principals.

"Buyer Group Entities" means Buyer, ECR Opco, ECR Propco and ECR Bondco.

"Buyer Group Principals" means Wayne Hatami, Feliks Kogan, Gregg Rock and Anthony Degradi.

"Buyer Indemnified Persons" has the meaning set forth in Section 13.2.

"Buyer Material Adverse Development" means a material adverse impact on (a) the business, operations, property, results of operations or financial condition of Buyer, taken as a whole, or (b) the ability of Buyer to consummate the Transactions contemplated by, or to perform their obligations under, this Agreement, or (c) the ability of Buyer to operate the Hospital and the

Purchased Assets after the Closing Date as a general acute care hospital within the existing facility. Notwithstanding any of the foregoing, a Buyer Material Adverse Development shall not include: (i) changes or proposed changes to any Law, reimbursement rates or policies of governmental agencies or bodies that are generally applicable to hospitals or health care facilities; (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; (iii) general business, industry or economic conditions, including such conditions related to Buyer, that do not disproportionately affect Buyer, taken as a whole; (iv) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack, that do not disproportionately affect Buyer, taken as a whole; (v) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index) that do not disproportionately affect Buyer, taken as a whole; or (vi) changes in GAAP.

"Capital Lease Obligations" means those capital lease obligations of Seller.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (PL 116-136).

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Closing Date Straddle Patients" has the meaning set forth in Section 12.5(a)(ii).

"CMS" means the Centers for Medicare & Medicaid Services.

"COBRA" has the meaning set forth in Section 7.2(b).

"Code" means the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder.

"CN Application" means the certificate of need application, and any supplement or amendment thereto, for the transfer of the certificate of need and license of a general acute care hospital under N.J.S.A. 26:2H-1, et seq., N.J.A.C. 8:33 and N.J.A.C. 8:43(G).

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of June 12, 2024 between the Parties and/or their Affiliates.

"Contract" means any written or oral contract (including, without limitation, the Oral Contracts), commitment, instrument, license, lease, agreement, arrangement or understanding, including, without limitation, all renewals, extensions, assignments and amendments made in accordance therewith.

"Controlled Group" has the meaning set forth in Section 4.17(c).

"Cost Reports" means all cost and other reports related to a health care facility filed pursuant to the requirements of the Government Reimbursement Programs for cost-based payments or reimbursement due to or claimed by Seller from the Government Reimbursement Programs or their MACs (or other fiscal intermediaries), including all appeals and appeal rights.

"Current Payroll" means all unpaid salary, wages or commissions of the Transferred Employees in the Ordinary Course of Business to the extent earned and accrued under Seller's regular payroll practices during the regular pay period (or portion thereof) in which the Closing Date occurs or on which the Closing Date ends, regardless of any PTO used during such period, as well as all payroll Taxes related thereto. For avoidance of doubt, and without limitation, Current Payroll shall not include any extraordinary or incentive bonuses, expense reimbursement, severance, continuation payment or other balances due as a result of termination of employment, benefits under Seller Plans, Claims under OSHA, WARN, COBRA or for wrongful termination, sexual harassment, or other violations of Law.

"Damages" has the meaning set forth in Section 13.2.

"Division" has the meaning set forth in Section 2.9.

"Due Diligence" means the information and materials received by Buyer, Buyer's counsel, Buyer Group or any Buyer Group Principal prior to the Closing Date.

"DOH" means the New Jersey Department of Health.

"EABS Lender" has the meaning set forth in Section 6.12.

"EABS Lien" has the meaning set forth in Section 6.12.

"EABS Team Loan Indebtedness" has the meaning set forth in Section 6.12.

"ECR Bondco" has the meaning set forth in the Recitals.

"ECR Opco" has the meaning set forth in the Recitals.

"ECR Propco" has the meaning set forth in the Recitals.

"Effective Time" has the meaning set forth in Section 3.2.

"EHPUR" has the meaning set forth in the Recitals.

"EREH" has the meaning set forth in the Recitals.

"EREH/EMG SPA" has the meaning set forth in the Recitals.

"EMG" has the meaning set forth in the Recitals.

"Employee List" has the meaning set forth in Section 4.18.

"Employees" means all individuals who currently are employed by Seller in the conduct of the Business, together with individuals who are hired in respect of the conduct of the Business after the date hereof and prior to the Closing.

"Employment Loss" means (i) an employment termination, other than a discharge for cause, voluntary departure or retirement, (ii) a layoff exceeding six (6) months or (iii) a reduction in hours of work of more than 50%, with respect to each of (i), (ii) and (iii), which involves more than ten (10) employees occurring within a 60-day period or is otherwise outside of the Ordinary Course of Business.

"Encumbrance" means any Claim, charge, easement, encumbrance, liability, encroachment, security interest, mortgage, lien, interest, pledge or restriction, whether imposed by Contract, Law, equity or otherwise.

"Environmental, Health and Safety Liabilities" means any Liability arising under Environmental Laws or Occupational Safety and Health Laws which is incurred as a result of: (i) the existence or alleged existence of Hazardous Materials in, on, over, under, at or emanating from the Hospital or the Leased Real Property; (ii) any Hazardous Activity; or (iii) the violation or alleged violation of any Environmental Laws or Occupational Safety and Health Laws.

"Environmental Law" means any and all federal, state, or local laws, statutes, ordinances, rules, regulations, orders, or determinations of any federal, state or local Governmental Entity pertaining to health, safety, pollution or the environment, including without limitation, the federal Clean Air Act, as amended, Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, Water Pollution Control Act, as amended, Superfund Amendments and Reauthorization Act of 1986, as amended, Hazardous Materials Transportation Act, as amended, the Spill Compensation and Control Act, as amended, the Industrial Site Recovery Act, as amended ("ISRA"), the Site Remediation Reform Act, as amended, the Brownfield and Contaminated Site Remediation Act, as amended, and all other environmental, conservation or protection laws, and all rules and regulations promulgated thereunder.

"Environmental Permit" means any permit, registration, license, approval, identification number, exemption or other authorization required under or issued pursuant to any applicable Environmental Law for the operation of the Business.

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

"ESL" has the meaning set forth in Section 7.2(b).

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Contracts" has the meaning set forth in Section 2.2(d).

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"Excluded Representations" has the meaning set forth in Section 13.1.

"Financial Statements" has the meaning set forth in Section 4.7(a)(ii).

"Funding Advance" has the meaning set forth in Section 6.11(a).

"Funding Advance Repayment Amount" has the meaning set forth in Section 6.11.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Entity" means any government or any administrative agency or authority, bureau, board, directorate, commission, court, department, office, political subdivision, tribunal, recovery audit contractor or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"Government Reimbursement Programs" means the Medicare program, the New Jersey Medicaid program, the federal TRICARE program, and any other similar or successor federal or state healthcare payment programs with or sponsored by a Governmental Entity.

"Hazardous Activity" means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, storage, transfer, transportation, disposal, treatment, use, Remediation or Release of Hazardous Materials.

"Hazardous Materials" means: (i) any chemical, substance, material, or waste listed, defined, or classified as a "pollutant", "contaminant", "hazardous substance", "toxic substance", "solid waste", "hazardous waste", "hazardous material", or "special waste" under any applicable Environmental Law; (ii) any substance regulated under any applicable Environmental Law; (iii) petroleum or any derivative or by-product thereof; (iv) urea formaldehyde foam insulation, polychlorinated biphenyls, methyl tertiary butyl ethyl, radioactive material, or radon; (v) mold; and (vi) any "asbestos-containing materials".

"Healthcare Laws" means the Laws governing the Government Reimbursement Programs, including without limitation, relating to (a) fraud and abuse (including without limitation the following statutes, as amended, modified or supplemented from time to time and any successor statutes thereto and regulations promulgated from time to time thereunder: the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)); the Stark Law (42 U.S.C. § 1395nn and §1395(q)); the civil False Claims Act (31 U.S.C. § 3729 et seq.); Sections 1320a-7 and 1320a-7a and 1320a-7b of Title 42 of the United States Code; the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. No. 108-173)); (b) Medicare, Medicaid, CHAMPVA, TRICARE or other Third Party Payor Programs; (c) the licensure or regulation of healthcare providers, suppliers, professionals, facilities or payors; (d) the provision of, or payment for, health care services, items or supplies; (e) patient health care; (f) quality, safety certification and accreditation standards and requirements; (g) the billing, coding or submission of claims or collection of accounts receivable or refund of overpayments; (h) HIPAA; (i) certificates of operations and authority; (j) laws regulating the provision of free or discounted care or services; and (k) any and all other applicable federal, state or local health care laws, rules, codes, statutes, regulations, manuals, orders, ordinances, statutes, policies, professional or ethical rules, administrative guidance and requirements, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto.

"Healthcare Program Liabilities" means all Liabilities under any Laws relating to Government Reimbursement Programs, including any obligations for settlement and retroactive adjustments under the Medicare and Medicaid programs for open cost report periods ending on or before the Closing Date.

"Healthcare Regulatory Consents" means in respect of Seller or Buyer, as the case may be, such consents, Approvals, authorizations, waivers, Orders, licenses or Permits of any Governmental Entity as shall be required to be obtained and such notifications to any Governmental Entity as shall be required to be given by such Party in order for it to consummate the Transactions in compliance with all applicable Laws relating to health care or healthcare services of any kind and shall include obtaining any such consents, Approvals, authorizations, waivers, Orders, licenses or Permits from, or notices to, the New Jersey Office of the Attorney General, NJDOH CMS and the public in accordance with Law.

"HIPAA" means the (a) Health Insurance Portability and Accountability Act of 1996; (b) the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009); and (c) any state and local laws regulating the privacy and/or security of individually identifiable information, including state laws providing for notification of breach of privacy or security of individually identifiable information, in each case with respect to the laws described in clauses (a), (b) and (c) of this definition, as the same may be amended, modified or supplemented from time to time, any successor statutes thereto, any and all rules or regulations promulgated from time to time thereunder.

"Hospital" has the meaning set forth in the Recitals.

"Immigration Act" means the Immigration and Nationality Act of 1952 and the Immigration Reform and Control Act of 1986.

"Indebtedness" means all Liabilities of Seller to any Person for borrowed money, including any loan or credit agreement, notes payable, capital lease obligations, guaranties, letters of credit and similar arrangements, and including all interest, fees, penalties, charges or other amounts thereon.

"Indemnified Person" has the meaning set forth in Section 13.4(a).

"Indemnifying Person" has the meaning set forth in Section 13.4(a).

"Initial Funding Advance" has the meaning set forth in Section 6.11(a).

"Intellectual Property" means any trademarks, trade names, service marks, logos and other source identifiers and all applications, registrations and renewals in connection therewith; software and computer programs (in object code form and, as to software programs that are Seller Intellectual Property, the source code therefor); writings, copyrights, and works of authorship (whether or not copyrightable) and all applications, registrations and renewals in connection therewith; data, technology, trade secrets, designs, patents, innovations, discoveries, inventions and improvements (whether or not patentable) and all patent applications and patent

disclosures, together with all reissuances, continuations, revisions, extensions and re-examinations thereof; and any other intellectual property.

"Interim Balance Sheet" has the meaning set forth in Section 4.7(a)(ii).

"Interim Balance Sheet Date" means July 31, 2024.

"Interim Financial Statements" has the meaning set forth in Section 4.7(a)(ii).

"Interim Management Agreement" has the meaning set forth in the Recitals.

"Inventory" means all usable inventories of supplies, pharmaceuticals, food, janitorial and office supplies and other disposables and consumables located at the Hospital or held for use in the Business.

"Landlord Estoppel" has the meaning set forth in Section 3.3(c).

"Law" means any federal, state, local, municipal, foreign or other law, common law, statute, ordinance, rule, regulation, requirement, interpretation, manual, policy, judgment, ruling, order or writ of any Governmental Entity, including Health Care Laws, the Immigration Act and the Antitrust Laws.

"Leased Real Property" has the meaning set forth in Section 4.14(b).

"Leasehold Assignment" has the meaning set forth in Section 3.3(a).

"Leases" means any and all real property leases, subleases, tenancies, concessions, licenses, occupancy agreements or similar agreements (including any and all modifications, amendments, supplements extensions or renewals thereof) to which Seller is a party with respect to the Hospital, and (subject to the terms of this Agreement) together with refundable deposits and prepaid rent, if any, relating to any of the foregoing.

"Legal Proceeding" means any action, suit, litigation, arbitration, proceeding or Claim (whether at law or in equity) before a Governmental Entity or before any arbitrator or mediator or similar party, or any investigation, inquiry, audit or review by any Governmental Entity.

"Liability" means any debt, liability or obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all fines, penalties, costs and expenses relating thereto.

"Limited Power of Attorney" has the meaning set forth in Section 12.11.

"MACs" means Medicare Administrative Contractors.

"Material Contracts" has the meaning set forth in Section 4.12(a).

"Material Payor" has the meaning set forth in Section 4.27.

"Material Vendor" has the meaning set forth in Section 4.28.

"Medicaid" means the state health insurance program established under Title XIX of the Social Security Act.

"Medicare" means the federal health insurance program for the aged and disabled established under Title XVIII of the Social Security Act.

"Members of Seller" means the following individuals: Benjamin Klein, Paige Dworak, Troy Schell and AJ Schreiber.

"Multiemployer Plan" means a multiemployer plan within the meaning of Section 3(37) of ERISA or Section 414(f)(1) of the Code.

"NJDOH" means the New Jersey Department of Health.

"Non-A/R Bank Accounts" means all other bank accounts of the Seller other than the A/R Bank Accounts.

"Non-assignable Contract" has the meaning set forth in Section 12.4(b).

"Non-Participating Entity" has the meaning set forth in Section 2.2(i).

"Occupational Safety and Health Law" means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, including OSHA, and any program, whether governmental or private (such as those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Off-the-Shelf Software" means off-the-shelf operating system, browser and common desktop or server-based office productivity computer software (word processing, spreadsheet, presentation and the like).

"Oral Contract" has the meaning set forth in Section 4.12(b)(iii).

"Order" means any order, injunction, judgment, decree, directive, ruling, consent, approval, writ, assessment or arbitration award of a Governmental Entity.

"Ordinary Course of Business" means the ordinary and usual course of normal day-to-day operations of (i) the Business, in the case of Seller, and (ii) the business and operations of Buyer, each as the case may be, through the date hereof consistent with past practice.

"OSHA" means the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.

"Outside Date" means the date that is twenty four (24) months from the date of this Agreement.

"Parties" has the meaning set forth in the Preamble.

"Party" has the meaning set forth in the Preamble.

"Permit" means any application, approval, license, designation, identification number, permit, franchise, accreditation, registration, waiver or certificate of need of any kind, of any Governmental Entity, including with respect to any Health Care Laws, but excludes Environmental Permits.

"Permitted Exceptions" means: (a) such Exceptions with respect to which Buyer has expressly agreed to take this Agreement, and those Exceptions Buyer has been deemed to have accepted (b) rights of Tenants, as tenants only, under Leases; (f) rights of licensors under licenses of assets licensed to Seller set forth in any of the Assumed Contracts (g) and such Exceptions with respect to which Buyer has expressly agreed to take regarding monetary liens, security interests or Claims on of the Purchased Assets.

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

"Personal Property" has the meaning set forth in Section 2.1(b).

"Post-Closing A/R Proceeds" shall have the meaning set forth in Section 12.5(a)(i).

"Pre-Closing A/R Proceeds" shall have the meaning set forth in Section 12.5(a)(i).

"Pre-Closing Taxes" means all Taxes with respect to the Purchased Assets or the Business that are attributable to Tax periods (or portions thereof) ending on or before the Closing Date."

"Private Health Plans" means insurers, third party payors, health maintenance organizations, preferred provider organizations, third party administrators for self-insured employers and similar arrangements, other than Government Reimbursement Programs, but including those situations where, pursuant to a contract with a Government Reimbursement Program, the Private Health Plan provides coverage under a managed care product to persons obtaining their Medicare, Medicaid, or similar benefits from the private health plan rather than directly from Medicare or Medicaid.

"Provider Agreements" has the meaning set forth in Section 2.1(e).

"PTO" means paid vacation, sick, holiday and other paid time off.

"Purchase Price" has the meaning set forth in Section 2.6.

"Purchased Assets" has the meaning set forth in Section 2.1.

"Related Party Loan Indebtedness" means, all Indebtedness of Seller under loans advanced by any Person who is an Affiliate of Seller or an officer, director, employee of Seller, excluding the EABS Loan Indebtedness.

"Release" means any spilling, leaking, pumping, emitting, emptying, discharging, injecting, escaping, leaching, dumping, migrating, or disposing into the environment, including the ambient air, surface and subsurface soils, surface water and groundwater.

"Remediation" means any investigation, clean-up, removal action, remedial action, restoration, repair, response action, containment, corrective action, monitoring, sampling and analysis, reclamation, closure, or post-closure activity in connection with the suspected, threatened or actual Release of Hazardous Materials.

"Rent Roll" means a Schedule of rents and additional charges under the Leased Real Property.

"Representatives" means with respect to any Person, any of its Affiliates, directors, trustees, officers, members, shareholders, employees, consultants, agents, advisors and other representatives.

"RE Note" has the meaning set forth in Section 6.11(b).

"Schedule of Assumed Contracts" has the meaning set forth in Section 2.1(e).

"Schedule of Assumed Leases" has the meaning set forth in Section 2.1(a).

"Seller" has the meaning set forth in the Preamble.

"Seller Closing Date Payment" has the meaning set forth in Section 2.6(b).

"Seller Indemnified Persons" has the meaning set forth in Section 13.3.

"Seller Intellectual Property" means Intellectual Property that is not Third Party Intellectual Property, but includes Intellectual Property of Seller's Affiliates.

"Seller Material Adverse Development" means any event, occurrence, condition, development or matter that, individually or together with any other event, occurrence, condition, development or matter as a result of Seller's actions, that could reasonably be expected: (a) to have a material adverse impact on the business, operations, property, results of operations or financial condition of the Hospital or the Purchased Assets, except for any Act of God events, including as a result of weather, flood, other natural disasters, pandemic or wide-spread illness, acts or war or terrorism, whether or not covered by insurance; or (b) materially impair the ability of Seller to consummate the Transactions contemplated by, or to perform their obligations under, this Agreement; or (c) materially impair the ability of Buyer to operate the Hospital, the Business, or the Purchased Assets after the Closing Date as a general acute care hospital within the existing facility; provided, however, that to the extent the following do not disproportionately affect Seller, a Seller Material Adverse Development shall not include: (i) changes in the financial or operating performance of the Business due to or caused by the announcement of the Transactions contemplated by this Agreement or seasonal changes; (ii) changes or proposed changes to any Law, reimbursement rates or policies of governmental agencies or bodies that are generally applicable to hospitals or health care facilities; (iii) 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; (iv) general business, industry or economic conditions, including such conditions related to Seller; (v) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index) that do not disproportionately affect Seller, taken as a whole; or (vi) changes in GAAP.

"Investor SPA" has the meaning set forth in the Recitals.

"Seller Plans" has the meaning set forth in Section 4.17(a).

"Seller" has the meaning set forth in the Preamble.

"Seller's Cost Reports" has the meaning set forth in Section 12.7.

"Seller's Knowledge" (and similar expressions) means the actual knowledge of the following executive officers of Seller, in each case, after each such Person's reasonable investigation of the fact or other matter in question: (i) Benjamin Klein, Managing Member, and (ii) Paige Dworak, Chief Executive Officer.

"Seller's Retirement Plan" means the retirement plan of Seller, if any.

"Tax" means (a) any tax, assessment, duty, fee, levy or similar charge assessed by any Governmental Entity, including any income tax, ad valorem tax, excise tax, escheat or unclaimed property liability, sales tax, use tax, capital tax, franchise tax, real or personal property tax, transfer tax, realty transfer tax, gross receipts tax, withholding tax, social security tax, payroll tax or employment tax, together with and including any and all interest, fines, penalties, assessments and additions to Tax resulting from, relating to or incurred in connection with any of those or any contest or dispute thereof and (b) any liability of any Person for the payment of the amounts described in clause (a) as a transferee, successor or pursuant to any contractual obligation or pursuant to Treasury Regulations Section 1.1502-6 (or any similar provision of state or local Law).

"Tax Return" means any report, statement, form, return or other document or information supplied or required to be supplied to a Governmental Entity or any other Person in connection with Taxes, including any schedule or attachment thereto and any amendment thereof, and including any return required by an organization exempt from any Tax.

"Tenant Estoppel" has the meaning set forth in Section 3.3(d).

"Tenants" means tenants in occupancy of portions of the Leased Real Property as of the Closing under Leases, as listed on the Rent Roll.

"Third-Party Claim" means a Claim by a third-party that is subject to indemnification hereunder.

"Third Party Intellectual Property" has the meaning set forth in Section 4.9(b).

"Transaction" or "Transactions" means the purchase and sale of the Hospital and Purchased Assets, and consummation of the other transactions set forth herein or contemplated hereby.

"Transaction Documents" means this Agreement and the Ancillary Agreements.

"Transaction Expenses" means all fees, charges, disbursements and expenses, paid out-of-pocket to third parties, and whether incurred before or after the date hereof, including fees, expenses and costs of legal counsel, accountants, escrow agents, financial advisors, consultants, agents and

other representatives, incurred in connection with the Transactions, including (i) the drafting and negotiation of any letter of intent or confidentiality agreement; (ii) business, financial and legal due diligence investigation; (iii) consideration, preparation, drafting and negotiation of the terms of the Transactions, including this Agreement and related financing documentation, and the negotiation, execution and delivery of any documentation and any amendments thereto related to the Transactions and the financing of the Transactions; and (iv) the consummation of the Transactions and the definitive documentation.

"Transfer Taxes" means all transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest).

"Transferred Employees" has the meaning set forth in Section 7.1.

"Transferred PTO" has the meaning set forth in Section 7.2(b).

"TRICARE" means the Department of Defense's managed healthcare program for active duty military, active duty service families, retirees and their families and other beneficiaries.

"Unspecified Amount" means, respect to MSA Straddle Patients, upon receipt of payment in respect of all such invoices, all amounts that are not identified with specific procedures.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988 and the rules and regulations promulgated thereunder, and any local or state statute (including the New Jersey Millville Dallas Airmotive Plant Jobs Loss Notification Act), rules or regulations providing for notice in the advance of or benefits of any kind as a result of employment termination or other employment loss, as defined in the WARN Act or by such local or state statute.

Exhibit B

Interim Management Agreement

{see attached}

INTERIM MANAGEMENT SERVICES AGREEMENT

This Interim Management Services Agreement (this "Agreement"), dated August 19, 2024 (the "Effective Date"), is made by and between **EOH Acquisition Group, LLC, d/b/a CareWell Health Medical Center**, a Delaware limited liability company ("Company" or the "Hospital"), and **ECR Management, LLC**, a New Jersey limited liability company ("Manager") (Company and Manager each being a "Party" and collectively, the "Parties").

R E C I T A L S:

WHEREAS, Company owns and operates an acute care hospital facility that provides a full range of inpatient services located at 300 Central Avenue, East Orange, New Jersey 07018 (the "Premises");

WHEREAS, the Company is experiencing financial difficulties;

WHEREAS, Manager and its affiliates are offering to provide management and business support services, as described herein;

WHEREAS, ECR OPCO, LLC ("Opco Buyer"), an affiliate of Manager and Company have entered into that certain Asset Purchase Agreement, dated as of the date hereof, (the "Asset Purchase Agreement"), pursuant to which, among other things, Company will sell all or substantially all of the assets of Company to Opco Buyer (the "Proposed Transaction");

WHEREAS, the Parties recognize that there will be an interim period between the Effective Date and the closing of the Proposed Transaction (the "Closing"), during which time Company desires for Manager to provide business support services to Company; and

WHEREAS, Company will continue operating its hospital until the Closing and now engages Manager to assist Company by providing the administrative and management services as set forth herein until such Proposed Transaction is consummated.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company and Manager agree as follows:

1. **Management Services**.

1.1 **Engagement of Manager**. Company hereby engages Manager, on an exclusive basis and, subject to Section 2, with the exclusive authority, to provide certain management and business support services under the supervision of Company, as further described below, to help facilitate the daily operations of the Hospital, and Manager hereby accepts the engagement, on the terms set forth in this Agreement. The services to be provided hereunder by Manager are intended to assist the Company with evaluating and implementing strategic initiatives; provided, however, that the type and level of services provided hereunder shall be limited by and Section 2 below. Manager may subcontract services to be provided hereunder by Manager, including, without

limitation, to Manager's affiliates and subcontractors. Manager may, but is not obligated to, enlist Company's senior executives to assist Manager with discharging duties related to the standard operation of the Hospital. If and to the extent that any billing and/or collection services to be provided by Manager hereunder are provided by a third-party contracted by Manager (including without limitation Manager's affiliates or subcontractors), Manager shall inform such third-party of the terms and conditions of this Agreement and shall oversee the provision of all such services.

1.2 **Duties of Manager**. Subject to Section 2 hereof, Manager shall have authority to provide management and business support services, assist with the administration, supervision and management of the daily, non-clinical operations of the Hospital consistent with the requirements of all applicable federal and state laws and regulations. Subject to the foregoing, Manager's specific responsibilities shall include the following:

1.2.1 **Personnel**. Manager shall assist in the oversight of the non-clinical personnel of the Company. All such personnel shall remain employees of Company or its affiliates, if applicable, during the Term (as defined below).

1.2.2 **Billing and Collections**. Manager shall oversee the billing and collection of all accounts receivables for the services provided to the Hospital's patients on behalf of, and for the account of, Company, in accordance with Company's policies and procedures and all applicable laws and regulations.

1.2.3 **Operations**. Manager shall: (a) arrange for and order medical and office supplies that may be required to operate the Hospital; (b) oversee the preparation of reports of operations and activities which may be required by state, local or federal regulatory agencies; (c) arrange for the maintenance and repairs, as necessary, of the Premises and equipment and machines at the Hospital, (d) oversee financial condition of the Hospital and assist in making payments owed to vendors and suppliers of the Hospital, which may include assistance in negotiations of past-due payables; and (e) procure and administer leases and other contracts for the benefit for the Hospital, including but not limited to managed care contracts, and (f) provide or arrange for strategic and advisory services in the operation of the Hospital (such as attorneys, accountants, auditors and other advisors, who shall be selected by Manager in its sole discretion), and including but not limited to strategic and advisory services within the areas of finance, tax, insurance, compliance and information technology. With respect to the oversight of the financial condition of the Hospital, Manager may seek to identify which receipts collected by the Hospital after the Effective Date pertain to either items or services provided before the Effective Date ("Pre-Interim Receipts") or to items or services provided after the Effective Date ("Interim Receipts"). Manager may administer the timely payments of the Hospital's obligations incurred on or after the Effective Date with Interim Receipts. However, to the extent additional funds are necessary to fund the operations of the Hospital during the Term (or as Manager reasonably deems necessary), Manager may use the Pre-Interim Receipts to fund the Hospital's operations. Should additional Pre-Interim Receipts remain, Manager may, under the direction of Company, pay any obligations incurred by Company prior to the Effective Date with Pre-Interim Receipts. All obligations incurred prior to or after the Effective Date shall remain the obligations of the Company.

1.2.4 **Patient Files**. Manager shall assist with the maintenance of patient files to permit eligibility verification and efficient and timely response to inquiries from patients, payors

and physicians. All patient medical records shall remain the sole property of Company, and shall be treated as confidential so as to comply with all state and federal laws regarding the confidentiality of patient records, including any applicable requirements in effect under the Health Insurance Portability and Accountability Act of 1996, or the regulations promulgated pursuant thereto. Manager shall have access to the patient files for the purposes necessary to perform its duties under this Agreement, subject to all applicable laws and regulations governing the confidentiality and privacy of such records. Company and Manager shall execute the Business Associate Agreement in the form attached hereto as **Exhibit A**.

1.2.5 **Marketing**. Manager shall assist with and may make recommendations to Company with respect to website development, publicity, developing brochures, written documents and other written products, visual and audiovisual marketing strategies relating to the Hospital.

1.2.6 **Other**. Manager may provide such other services to or on behalf of Company only as the Parties may mutually agree upon and identify in an addendum to this Agreement executed by both Parties.

1.3 **Notwithstanding Clause**. Notwithstanding any other provision in this Agreement to the contrary, Company remains responsible to ensure that all services provided by Manager under this Agreement comply with all pertinent provisions of federal, state and local statutes, rules and regulations.

1.4 **No Exclusion**. Neither Manager, nor any of its affiliates, employees, representatives, agents and contractors directly or indirectly providing services under this Agreement with respect to the operations of the Hospital: (a) is currently or has ever been, excluded, debarred, or otherwise ineligible to participate in any federal or state healthcare programs; (b) has been convicted of a criminal offense related to the provision of healthcare items and services; (c) are presently under investigation, have knowledge of a pending investigation, or are otherwise aware of any circumstances which may result in such individual or entity being excluded from participation in any federal or state healthcare programs or convicted of a criminal offense related to the provision of healthcare items and services; and (d) is a Specially Designated National or a Blocked Person as defined by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

1.5 **Affiliate Transactions**. Manager covenants and agrees that any fees, costs, expenses or other amounts payable to any affiliate of Manager for any equipment, space, personnel, supplies, goods or other services shall, to the extent included in the Management Fee, will be consistent with fair market value.

1.6 **Reporting**.

1.6.1 Manager's employees, representatives and personnel (the "Manager Personnel") shall have the right to be present on-site and meet with the Company or its representatives (collectively, the "Company Representatives") at least on a daily basis (or as less frequently if so determined by Manager) in order to review the Hospital's performance and examine, inspect or make copies of the books and records (paper, electronic or otherwise) relating

to the operations and management of the Hospital and to review and discuss any matters. Without limiting the foregoing, the Manager Personnel shall have the right to access any and all reports, information, and documents, whether in-person or remote (including being provided unbridled access to any and all of the Hospital's electronic medical records, document retrieval, and financial management systems). To that end, the Company shall, and shall direct its affiliates to provide the Manager Personnel with real-time access to all the books and records and other systems (and personnel familiar with such documents and systems). All such books and records relating to the operations and management of the Hospital shall not be removed by Company from their respective locations as they existed prior to the Effective Date without the express written consent of Manager. The Parties agree that the books and business records of the operations and management of the Hospital will remain under the ownership and control of Company at all times, and that Manager will function in an administrative capacity in performing its obligations hereunder.

1.6.2 The Manager Personnel shall direct all inquiries regarding operations, procedures, policies, employee relations, patient care, and all other matters concerning the Hospital to the Company Representatives and the Company Representatives shall fully cooperate with, and timely respond to Manager and the Manager Personnel in connection with any such inquiries during the Term.

1.6.3 Manager shall have full access and transparency to all financial information and data pertaining to the operations and financial performance of the Hospital. Further, Company shall prepare and submit to Manager all information for Manager to generate financial statements prepared in a manner substantially consistent with generally accepted accounting practices (whether accrual, cash, or tax), showing actual revenues and expenses of the Hospital, including, without limitation, operating costs and estimated accounts receivable activity.

1.7 **Bank Accounts**. During the Term, all proceeds and collections will continue to be deposited, either electronically or manually, into the bank accounts listed on Schedule 1.6 (the "Depository Accounts"). Prior to the Effective Date, the Company shall have taken all actions necessary to add certain Manager Personnel designated by Manager to be added as additional signatories to the Depository Accounts. Except for the transfers to the Manager Account, the Company shall not remove, disburse, transfer, use, pledge, hypothecate, grant a lien on or security interest in, or otherwise encumber any funds in the Depository Accounts during the Term. The Company shall execute such documents for the banks at which the Depository Accounts are held (the "Depository Banks") as Manager may reasonably require, including without limitation, a limited power of attorney, to permit the Depository Banks to receive the proceeds and collections, endorse any checks, drafts, notes, money orders, cash, insurance payments, and other instruments relating to such proceeds and collections, deposit the proceeds and collections into the Depository Accounts, and to transfer the proceeds and collections each day from the Depository Accounts into the Manager Account.

1.8 **Legal Actions**. During the Term, Manager may institute or defend or appeal or mediate or arbitrate, in its own name or in the name of the Company any and all legal actions or proceedings with individuals, entities or governmental agencies or similar authorities relating to the operation of the Hospital, including, without limitation, to collect charges, or other sums due

to the Company in connection with the Hospital, or lawfully cancel, modify, or terminate any contract for the breach thereof or default thereunder by the other party or parties thereto.

2. **Retention of Authority**. During the Term, Company shall retain the ultimate authority over and responsibility for all clinical matters related to the Hospital, including, without limitation licensure, regulatory compliance, quality assurance, accreditation and governance. By entering into this Agreement, Company does not delegate to Manager any of Company's duties and responsibilities vested exclusively in Company by law. Nothing in this Agreement shall alter, weaken, displace or modify the authority of the executive leadership and governing body of the Company with respect to clinical operation and management of the Hospital and the affairs of Hospital. The Parties mutually acknowledge and agree that any services provided pursuant to this Agreement are intended to constitute assistance and support to the governing body and executive leadership of Company, and are not intended and shall not be construed to grant Manager any rights or interests in, nor decision-making authority with respect to, Company or its clinical operations, and the rights and interests of Manager shall be limited to as expressly set forth herein or in the Asset Purchase Agreement. Further, the Parties hereby acknowledge and agree that this Agreement does not constitute an assignment of any license, certificate or registration issued by any governmental authority, including the license issued by New Jersey Department of Health for the Hospital.

3. **Relationship of the Parties**. The Parties hereby acknowledge and agree that, in its performance under this Agreement, Manager shall be in the relation of an independent contractor to Company providing services to Company, and nothing herein is intended to or shall be construed as creating a partnership, trustee, fiduciary, joint venture, or employment relationship between Company and Manager. As such, neither Party shall be responsible for the cost of wages, payroll taxes, paid time off accrued or earned, fringe benefits and other compensation or benefits associated with the other Party's personnel.

4. **Compensation**.

4.1 **Expenses**. The objective of this Agreement is for Manager to provide Company and the Hospital with certain management and business support services. Accordingly, Manager shall be responsible, on behalf of Company, for paying from Company's receipts all expenses incurred in connection with the operation of the Hospital during the Term, including, without limitation, costs related to administration and management of the Hospital, real property lease(s), equipment lease(s), outstanding payables, personnel, maintenance of the premises and equipment, utilities, supplies, and insurance coverages (collectively, the "Expenses"). Manager or its affiliates may, but is not obligated to, loan Company any shortfall amount resulting from the operations of the Hospital during the Term, in accordance with Section 4.4 below. Notwithstanding any language in this Agreement, in no event shall Manager be responsible for the payment of any liabilities or indebtedness of the Hospital or Company incurred, arising from or pertaining to the operation of the Hospital prior to the Term or any indebtedness due or payable after this Agreement is terminated, including, without limitation, amounts due to Company's or Hospital's secured creditors and unsecured creditors including, but not limited to, unpaid vendors and suppliers existing as of the Effective Date.

4.2 **Management Fee; Reimbursement**. As compensation for all of Manager's duties and obligations under this Agreement, Company shall owe and pay to Manager a management fee equal to the sum of the number of hours per month expended by Manager towards the provision of services hereunder multiplied by the hourly rates set forth on Schedule 4.2 (the "Management Fee"). Additionally, Company shall reimburse Manager all amounts which may have been advanced by Manager's or its affiliates pursuant to Section 4.4 below to pay Expenses promptly from Company's available cash, net of Expenses, received from the Company's receipts, with the terms of repayment to be governed by the terms of the promissory note and loan and security agreement described in Section 4.4 below. Company's obligations to pay earned Management Fees and to repay any funds advanced by Manager or its affiliates for payment of the Hospital's Expenses shall survive the termination, expiration or non-renewal of this Agreement for any or no reason.

4.3 **Method of Payment**.

4.3.1 During the Term, the Company will owe and pay Manager the Management Fee on a weekly basis during the Term or such other frequency as determined by Manager, from Company's available cash, net of Expenses, received from the receipts of the Hospital collected by or on behalf of Company during the Term in one or more of the Depository Accounts to a bank account owned and exclusively controlled by Manager at a banking institution selected by Manager (the "Manager Account").

4.3.2 Manager is hereby authorized to make payment from any "due to" account (as shown on the books and records of Manager) to itself of any amounts due to it by the Hospital or Company under this Agreement or otherwise, including, without limitation, the Management Fee, and the Company acknowledges that any amounts due to Manager under this Agreement, including without limitation, any Management Fee and repayment of advances for Expenses, shall be of as senior a priority as possible, and shall not be subordinate to the payment of, any amount due to any other creditor of Company. Without limiting the foregoing, any Management Fee earned, but not paid, shall accrue (but not abated) and Manager shall have the sole discretion to defer payment of such fee at any time during the Term hereof.

4.3.3 In the event Company's revenue collections during the Term are insufficient to pay the Management Fee on any given due date, the Management Fee will accrue (but not abated) and payment shall be deferred until such time as adequate collections are received by Company. In the event any Management Fee payments hereunder are deferred and unpaid for a period of thirty (30) days or more, as a penalty, interest shall attach to such outstanding Management Fee payments at a rate equal to 12% per annum. For the avoidance of doubt, the Management Fee will not be paid through a draw from the Loan (defined below) made available to Company by Manager or its affiliates, if any, but if not paid timely will accrue interest as a separate obligation of the Company to Manager.

4.3.4 Company hereby grants to Manager a security interest in Company's Collateral (as defined herein) to secure payment of the Management Fee, any accrued interest, repayment of Expenses and other outstanding charges due hereunder and the performance of all Company's obligations herein (collectively, the "Obligations"). Company hereby specifically authorizes Manager, at any time and from time to time, to file financing statements, continuation

statements and amendments thereto that describe the Collateral as "all income and personal property of debtor," all assets of debtor or words to similar effect, and contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including any organization identification number issued to Company. Company agrees to furnish any such information to Manager promptly upon request. Any such financing statements, continuation statements or amendments may to the extent required by applicable law be signed by Manager on behalf of Company and may be filed at any time in any jurisdiction. Company hereby irrevocably constitutes and appoints Manager and any officer or agent thereof, with full power of substitution, as Company's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Company and in the name of Company or in its own name, from time to time in Manager's discretion, for the limited purpose of carrying out the terms of this subsection regarding perfection by filing. All powers, authorizations and agencies contained in this subsection are coupled with an interest and are irrevocable until all of the Obligations have been paid and satisfied in full. Company hereby grants to Manager a blanket security interest in the following described property (collectively, the "Collateral"):

4.3.4.1.presently existing and hereafter arising accounts receivables, contract rights, and all other forms of obligations owing to Company arising out of the sale or lease of goods or the rendition of services by Company, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, and Company's Books (defined below) relating to any of the foregoing (collectively, "Accounts");

4.3.4.2.present and future general intangibles and other personal property (including payment intangibles, choses or things in action, goodwill, patents, trade names, trademarks, service marks, copyrights, blueprints, drawings, purchase orders, patient lists, moneys due or recoverable from pension funds, route lists, moneys due under any royalty or licensing agreements, infringement claims, software, computer programs, computer discs, computer tapes, literature, reports, catalogs, deposit accounts, insurance premium rebates, tax refunds, and tax refund claims) other than goods and Accounts, and Company's Books relating to any of the foregoing (collectively, "General Intangibles");

4.3.4.3.present and future rights to payments or performance under letters of credit, letter-of-credit rights (whether or not evidenced by a writing) and other supporting obligations, notes, drafts, instruments (including promissory notes), certificated and uncertificated securities, documents, leases, and chattel paper (whether tangible or electronic), and Company's Books relating to any of the foregoing (collectively, "Negotiable Collateral");

4.3.4.4.present and future supplies and inventory in which Company has any interest, including goods held for sale or to be furnished under a contract of service and all of Company's present and future raw materials, work in process, finished goods, and packing and shipping materials, wherever located, and any documents of title representing any of the above, and Company's Books relating to any of the foregoing (collectively, "Supplies");

4.3.4.5.present and hereafter acquired instruments, tools, equipment, furniture, furnishings, fixtures, goods (other than consumer goods), and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located (collectively, "Equipment");

4.3.4.6.present and hereafter acquired books and records (subject to applicable law, including without limitation laws collectively referred to as HIPAA) including: ledgers; records indicating, summarizing, or evidencing Company's assets or liabilities, or the Collateral; all information relating to Company's business operations or financial condition; and all computer programs, disc or tape files, printouts, funds or other computer prepared information, and the equipment containing such information (collectively, the "Company's Books");

4.3.4.7.present and hereafter acquired securities (whether certificated or uncertificated), securities accounts, commodity contracts and accounts, securities entitlements and other investment property (collectively "Investment Property");

4.3.4.8.present and hereafter acquired deposit accounts (collectively "Deposit Accounts");

4.3.4.9.present and hereafter acquired commercial tort claims (collectively "Tort Claims"); and

4.3.4.10. substitutions, replacements, additions, accessions, proceeds, products to or of any of the foregoing, including but not limited to, proceeds of insurance covering any of the foregoing, or any portion thereof, and any and all Accounts, General Intangibles, Negotiable Collateral, Supplies, Equipment, Deposit Accounts, Tort Claims, money, deposits, accounts, or other tangible or intangible property resulting from the sale or other disposition of the Accounts, General Intangibles, Negotiable Collateral, Supplies, Equipment, Deposit Accounts, Tort Claims, or any portion thereof or interest therein and the proceeds thereof.

4.3.4.11. Notwithstanding the foregoing, Collateral shall not include: (i) any lease, license, contract or other agreement of Company if the grant of a security interest in such lease, license, contract or other agreement is prohibited under the terms of such lease, license, contract or other agreement or under applicable law, but only to the extent such prohibition is not rendered unenforceable or ineffective by Article 9 of the Uniform Commercial Code, as enacted in New York (the "UCC") or other applicable law; provided, however, that a security interest shall attach to such lease, license, contract or other agreement immediately at such time as the condition causing such prohibition shall be eliminated or remedied; and (ii) any Equipment owned or leased by Company which is subject to a lien securing purchase money debt or lease obligations pursuant to documents which prohibit such party from granting any other liens in such property, but only for so long as such prohibition shall be in effect. Upon any default under this Agreement, Manager shall have any all remedies available under applicable law and the UCC.

4.4 **Loan**. Manager' affiliate, Opco Buyer, may, but is not obligated to, advance funds to Company (the "Loan"), provided that Manager shall have the sole discretion as to the amount and specific use of loan proceeds (*i.e.*, the specific Expense paid using Loan proceeds, and the amount of funds used to pay that specific Expense). The funds from the Loan shall only be used to cover Expenses incurred during the Term, unless otherwise explicitly agreed upon between Company and Manager. The Asset Purchase Agreement shall set forth the terms of the Loan and in connection therewith, to evidence Company's request to borrow funds under the Loan, Company shall execute and deliver to Opco Buyer, concurrently therewith a promissory note and a loan and security agreement securing the repayment of the Loan with security interests in Company's assets and income, both in the forms attached to the Asset Purchase Agreement, together with documentation reasonably satisfactory to Opco Buyer evidencing that Company has obtained all corporate approvals and consents necessary for it to borrow the Loan.

5. **Insurance**. During the Term, Company shall continue to maintain all existing insurance or coverage (e.g., general liability, professional liability, and workers' compensation) for the benefit of the Hospital.

6. **Indemnification**.

6.1 Company shall indemnify and hold harmless Manager (including its officers, managers, employees, members, agents, affiliates, successors and assigns) (collectively, the "Manager Indemnitees") against and in respect of any and all losses, liabilities, judgments, fines, fees, expenses (including reasonable attorneys' fees and costs) (collectively, "Losses") incurred or suffered by Manager Indemnitees to the extent resulting from, arising out of or relating to (a) any act or omission of Company, its employees, officers, managers, directors, members, affiliates and agents in connection with the operation of the Hospital or (b) any breach by Company, its employees, officers, managers, directors, members, affiliates or agents of any of Company's representations, warranties, covenants, obligations or duties under this Agreement.

6.2 Manager shall indemnify and hold harmless Company (including its officers, managers, directors, employees, members, agents, affiliates, successors and assigns) (the "Company Indemnitees") against and in respect of any and all Losses incurred or suffered by Company Indemnitees to the extent resulting from, arising out of or relating to (a) any fraud, gross negligence or willful misconduct of Manager, its employees, officers, managers, directors, members, affiliates or agents, or (b) any material breach by Manager, its employees, officers, managers, directors, members, affiliates or agents of any Manager's representations, warranties, covenants, obligations or duties under this Agreement; provided, however, that Manager shall not be obligated under this Section 6.2 to indemnify Losses in excess of the aggregate amount of Management Fees actually paid to Manager during the Term.

6.3 The amount of an indemnitee's indemnified Losses pursuant to this Section 6 shall be offset by the amount of any insurance proceeds actually recovered from insurers with respect to such Losses (net of any deductibles, co-payments or out-of-pocket costs of collection and any increase in insurance premiums attributable to such recovery). Each indemnitee shall use commercially reasonable efforts to pursue insurance recoveries to the extent available with respect to Losses subject to indemnification under this Section 6.

6.4 The obligations of Company and Manager pursuant to this Section 6 shall survive the termination, non-renewal or expiration of this Agreement.

7. **Term of Agreement; Termination**.

7.1 **Term**. Subject to the termination provisions contained herein, the term of this Agreement (the "Initial Term") shall commence on the Effective Date and end on the earlier of (a) the date of the Closing, or (b) the date of the termination of the Asset Purchase Agreement for any or no reason; provided, however, that in the event that there is no Closing and/or the Asset Purchase Agreement is terminated for any or no reason, then Manager shall the option, upon written notice to Company, to elect to extend the Initial Term for an additional thirty (30) year period which shall automatically renew for successive fifteen (15) year periods (the "Extended Term" and together with the Initial Term collectively, the "Term") unless this Agreement is otherwise terminated in accordance with the termination provisions set forth herein. If Manager elects to so extend the Initial Term, then all of the provisions herein shall continue in full force and effect during the Extended Term except that the hourly rates set forth on Schedule 4.2 shall be increased by five (5%) percent for each year of the Extended Term.

7.2 **Termination for Material Breach**. If either Party materially breaches any material covenant, representation, warranty, agreement, term or provision of this Agreement, then the breaching Party shall have thirty (30) days to cure such breach after receipt of written notice from the non-breaching Party (the "Cure Period"), which notice shall state the specific breach. If, after the applicable Cure Period above, the breach continues and has not been cured by the breaching Party, then the non-breaching Party may immediately terminate this Agreement by giving notice thereof to the breaching Party.

7.3 **Termination by Mutual Agreement**. This Agreement may be terminated by the mutual written agreement of both Parties.

7.4 **Force Majeure**. Neither Party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to Acts of God, war, civil commotion, fire, flood or casualty, epidemics, pandemics, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the Parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

8. **Power of Attorney**. Company hereby appoints Manager as its attorney-in-fact for the limited purpose of performing the functions described in this Agreement, including, without limitation, the authority to (a) supervise and oversee the submission, processing and collection of all claims for payment from patients and third-party payors; (b) endorse all checks made payable to Company in connection with the professional services and technical services rendered by the Company; (c) supervise and oversee the remittance of any collections from patients and third-party payors; (d) cause to be paid from Company funds all accounts payable; and (e) participate in any proceeding before any governmental agency arising out of the operation of the Company during the Term. For purposes of performing the functions described herein, Company hereby further

authorizes Manager (or representatives thereof) to act as signatory of the Company's operating accounts with financial institutions, to sign negotiable instruments on Company's behalf and to make withdrawals from the Company's operating accounts with financial institutions.

9. **Miscellaneous**. The recitals appearing in the beginning of this Agreement are true and correct and hereby incorporated herein by reference. This Agreement shall be governed by New Jersey law without regard to its conflicts of law principles. A Party's failure to enforce a provision of this Agreement or insist upon strict adherence to any term, covenant or condition of this Agreement, shall not constitute a waiver of such Party's rights to enforce such provision or any other provision or term of this Agreement. All waivers must be made in writing and signed by the Party granting the waiver. If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provisions had not been contained herein; provided that the remaining terms and provisions of the Agreement shall be construed as to not deprive either Party of the benefit of its bargain under this Agreement. This Agreement cannot be changed or modified except by an amendment in writing signed by both Parties. This Agreement contains the entire understanding of the Parties with respect to the subject matter contained herein and this Agreement supersedes all prior oral and written agreements and understandings between the Parties with respect to such subject matter. All notices, requests, demands, and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly delivered when received, if personally delivered; the next day, if sent by Federal Express (or similar overnight service); and delivered five (5) days after it is sent, if mailed via first class mail. Each Party has been represented (or has had the opportunity to be represented) by legal counsel in connection with the negotiation and execution of this Agreement. This Agreement shall not be interpreted in favor of any Party due to the fact that this Agreement was prepared by the other Party's legal counsel. This Agreement may be executed in several counterparts, each of which shall be deemed a duplicate original so long as each Party has executed one counterpart; all of which counterparts collectively shall constitute one instrument representing this Agreement. A counterpart signed and sent by facsimile transmission or by e-mail shall be deemed duly executed and delivered.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned Parties have executed this Interim Management Services Agreement as of the date first above written.

COMPANY:

EOH Acquisition Group, LLC
d/b/a CareWell Health Medical Center

By:_____
Name: Benjamin Klein
Title: Manager

MANAGER:

ECR Management, LLC

By:_____
Name: Feliks Kogan
Title: Manager

[*Signature Page to Interim Management Services Agreement*]

Schedule 1.6

Depository Accounts of Hospital

Schedule 4.2

Hourly Rates

Specialty	Clinical	Rate
Principal Consultant	N	$700-$900
Business Advisor	N	$625-$700
Clinical Consultant	Y	$325
Marketing Level 2	N	$225
Marketing Level 1	N	$275
Marketing Level 3	N	$175
OR TECH	Y	$150
SPD Consultant	Y	$150
OR RN	Y	$185

Exhibit A

Business Associate Agreement

(See attached)

BUSINESS ASSOCIATE AGREEMENT

THIS AGREEMENT (this "Business Associate Agreement") is made as of August 19, 2024, by and between **EOH Acquisition Group, LLC d/b/a CareWell Health Medical Center**, a Delaware limited liability company (the "Company"), and **ECR Management, LLC**, a New Jersey limited liability company ("Business Associate").

WHEREAS, the Company operates an acute care hospital facility in East Orange, New Jersey and is a "covered entity," as that term is defined under the Health Insurance Portability and Accountability Act of 1996, as amended, which includes the Privacy Rule (defined below), the Security Rule (defined below), and the Privacy provisions (Subtitle D) of the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (the "HITECH Act") (collectively "HIPAA");

WHEREAS, the Company is committed to complying with HIPAA;

WHEREAS, Business Associate is committed to complying with the portions of HIPAA that are applicable to Business Associate and its relationship with Company;

WHEREAS, Business Associate is engaged in the business of consulting with individuals and entities engaged in the development of freestanding outpatient ambulatory surgical Hospitals and providing ongoing business support, administrative and management services to ambulatory surgical Hospitals;

WHEREAS, the Company and Business Associate (the "Parties") have entered into an Interim Management Services Agreement, dated as of even date herewith (the "Agreement").

WHEREAS, in discharging its duties under the Agreement, the Business Associate will receive protected health information (as defined below) of patients of the Company;

WHEREAS, the Company and Business Associate are required under HIPAA to enter into an agreement with each other regarding the Business Associate's use and disclosure of PHI that complies with each of the requirements set forth in 45 C.F.R. 164.504(e), as amended;

NOW, THEREFORE, in consideration of the premises above, the Parties, intending to be legally bound, hereby agree to the following:

1. Definitions. Unless otherwise provided in this Agreement, capitalized terms shall have the same meaning as set forth under HIPAA.

(a) "Individual" means the person who is the subject of PHI, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(b) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E, and any regulations promulgated in connection therewith.

(c) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(d) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(e) "Security Rule" shall mean the administrative, technical and physical safeguards set forth in 45 C.F.R. Parts 160–64, in compliance with Social Security Act §1473(d) (42 U.S.C. §1320-21d), and any regulations promulgated in connection therewith.

(f) "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of the Company.

(g) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

(h) "Breach" shall have the same meaning as the term "breach" in Public Law 111-5 Section 13400 (1).

2. Obligations and Activities of Business Associate. Except as otherwise limited in this Business Associate Agreement or as Required by Law, Business Associate may use or disclose PHI of the patients of the Company to perform functions, activities, or services for, or on behalf of, the Company as specified in the Agreement, provided that such use or disclosure would not violate the Agreement, Business Associate Agreement, the minimum necessary policies and procedures of the Company or the Business Associate's obligations under the Privacy Rule, including 45 C.F.R. § 164.504(e), as amended.

(a) Business Associate agrees not to use or further disclose PHI other than as permitted or required by this Business Associate Agreement, the Privacy Rule as amended, or as Required by Law.

(b) Business Associate agrees not to use or further disclose PHI other than as permitted or required by this Business Associate Agreement, the Privacy Rule as amended, or as Required by Law.

(c) Business Associate acknowledges that it is statutorily required to comply with the Security Rule and agrees to develop, implement, maintain and use appropriate administrative, technical and physical safeguards, in compliance with the Security Rule, to preserve the integrity and confidentiality of and to prevent non-permitted or violating use or disclosure of PHI received for or from the Company. Business Associate will document and keep these safeguards current.

(d) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI in violation of this Business Associate Agreement.

(e) Business Associate agrees to promptly report to the Company any use or disclosure of PHI not provided for by this Agreement or under HIPAA of which it becomes aware including any Breach of unsecured PHI. If Business Associate reports any such Breach to the Company, the notice provided by the Business Associate must include the identity of the individual whose unsecured PHI has been, or is reasonably believed to have been accessed, acquired or disclosed during such breach, and any additional information required by HIPAA. Business Associate agrees to cooperate with Company upon report of any such Breach so that Company may provide the individual affected by such Breach with proper notice as required by HIPAA.

(f) Business Associate agrees to ensure that any agent (including a subcontractor) to whom it provides PHI received from the Company, or created or received by Business Associate on behalf of Company, agrees to the same restrictions and conditions that apply through this Business Associate Agreement with respect to such information.

(g) Business Associate agrees to provide access, at the request of the Company, and in the time and manner designated by the Company, to PHI in a Designated Record Set to the Company, or as directed by the Company, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

(h) Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Company directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Company or an Individual, and in the time and manner designated by the Company.

(i) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from the Company, or created or received by Business Associate on behalf of the Company, available to the Company, or to the Secretary, for purposes of the Secretary determining the Company compliance with the Privacy Rule.

(j) Business Associate agrees to document its disclosures of PHI and maintain a log of information related to such disclosures in accordance with the requirements of 45 C.F.R. 164.528, and Public Law 111-5 Section 13405 (c).

(k) Business Associate agrees to provide to the Company or an Individual, in the time and manner designated by Company or as Required by Law**,** information collected in accordance with Section 2(i) of this Business Associate Agreement, to permit the Company to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and Public Law 111-5 Section 13405(c).

3. Obligations of the Company.

(a) The Company shall notify Business Associate of any limitation(s) in its privacy practices of the Company in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(b) The Company shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) The Company shall notify Business Associate of any restriction to the use or disclosure of PHI that the Company has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. Term and Termination.

(a) Term. The term of this Business Associate Agreement (the "Term") shall be effective as of the effective date of the Agreement, and shall terminate when all of the PHI provided by the Company to Business Associate, or created or received by Business Associate on behalf of the Company, is destroyed or returned to the Company , or if it is infeasible to return or destroy such PHI, protections are extended to such information, in accordance with the termination provisions in this Section 4.

(b) Termination for Cause. Upon Company's knowledge of a material breach by Business Associate, Company shall provide an opportunity for Business Associate to cure the breach or end the violation within a reasonable period of time. Company may terminate this Business Associate Agreement if Business Associate does not cure the breach or end the violation within the time specified by Company.

(c) Effect of Termination.

(1) Upon termination of this Business Associate Agreement, for any reason, Business Associate shall return or destroy all PHI received from the Company or created or received on behalf of the Company. This provision shall extend and apply to PHI that is in the possession of subcontractors or agents of Business Associate that is received from, or created or received on behalf of the Company. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(2) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to the Company notification of the conditions that make return or destruction not feasible. Upon notice to the Company by Business Associate that return or destruction of the PHI is not feasible, Business Associate shall extend the protections of this Business Associate Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

5. Amendment. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for the Company to comply with the requirements of HIPAA and the Privacy Rule.

6. Survival. The respective rights and obligations of the Parties under Section 4 of this Business Associate Agreement shall survive the termination of the Term of this Business Associate Agreement.

7. Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the Company to comply with HIPAA.

8. Notice. Any and all communications required under this Business Associate Agreement shall be sent by registered or certified mail, return receipt requested, postage prepaid, and shall be addressed to the recipient's last known business address.

9. Counterparts. This Business Associate Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the Parties have duly executed this Business Associate Agreement as of the date first written above.

COMPANY:

EOH Acquisition Group, LLC
d/b/a CareWell Health Medical Center

By:_____
Name: Benjamin Klein
Title: Manager

BUSINESS ASSOCIATE:

ECR Management, LLC

By:_____
Name: Feliks Kogan
Title: Manager

Exhibit C

Promissory Note

{see attached}

PROMISSORY NOTE

Up To $20,000,000.00	August 19, 2024
(unless increased pursuant to the terms of the Loan and Security Agreement)	

FOR VALUE RECEIVED, **EOH ACQUISITION GROUP, LLC D/B/A EAST ORANGE GENERAL HOSPITAL**, a Delaware limited liability company ("Maker") having a place of business at 300 Central Avenue, East Orange, New Jersey 07018, intending to be legally bound pursuant to the terms of this promissory note (this "Note"), hereby absolutely and unconditionally promises to pay to the order of **ECR OPCO, LLC**, a New Jersey limited liability company ("Payee") having a place of business at 505 Park Avenue, Suite 303, New York, New York 10022 or at such other place as the holder hereof may from time to time designate in writing, all amounts advanced by Payee to Maker under this Note, if any (each such advance from Payee to Maker, referred to herein as an "Advance," and collectively, all such amounts advanced referred to as the "Principal Amount"), and which amounts shall not in the aggregate exceed TWENTY MILLION DOLLARS AND NO CENTS ($20,000,000.00) (the "Maximum Loan Amount") (unless increased pursuant to the terms of the Loan and Security Agreement), in lawful money of the United States of America to be paid as follows:

1. Advances. In accordance with the terms and conditions set forth in this Note and the Loan and Security Agreement entered into by and between Payee and Maker, of even date herewith (the "Loan Agreement," and together with this Note and all other agreements, notes, instruments and other documents executed or delivered pursuant hereto or thereto, as each may be amended, modified, extended or renewed from time to time in writing, referred to collectively as the "Loan Documents"), the parties acknowledge and agree that following a request from Maker to Payee, Payee may extend one or more advances from time to time to Maker during the twelve (12) month period commencing from the date of this Note (the "Advance Period"), up to the Maximum Loan Amount (after giving effect to all amounts already advanced and amounts requested, and after considering any amounts outstanding under other instruments or agreements between Payee and Maker). Each request for an Advance hereunder during the Advance Period shall constitute a representation by Maker to Payee that the conditions set forth herein and in the Loan Agreement have been satisfied on the date of such request.

2. Maturity Date; Payment Terms. Maker shall repay the Principal Amount outstanding under this Note together with accrued interest thereon and any other amounts due hereunder, in full, promptly upon the earlier to occur of the following (the "Maturity Date"): (a) Maker receives proceeds from any third-party financing and Maker is authorized by such lender to apply such proceeds to repay the outstanding Principal Amount hereunder; (b) termination of that certain Asset Purchase Agreement, dated as of the date hereof, pursuant to which, among other things, Maker (or an affiliate thereof) will sell substantially all of the assets of Maker (including the assets used in the operation of its hospital) to an affiliate of Payee (the "Asset Purchase Agreement") for any reason or no reason; (c) the closing of the transactions contemplated under the Asset Purchase Agreement (the "Closing"); (d) termination of that certain Interim Management Services Agreement, dated as of the date hereof, by and among Maker, Payee and/or and an affiliate of Payee concurrently herewith (the "Interim Management Agreement") for any reason or no reason. Upon Closing, Maker shall be obligated to apply funds received at Closing towards the repayment of the outstanding Principal Amount under this Note together with accrued interest thereon and any other amounts due hereunder. Notwithstanding the foregoing, to the extent the Closing occurs and the Maker has insufficient funds

to fulfill its repayment obligation as described in this Section 2 at or as of the Closing then Maker shall be obligated to pay any amounts that remain outstanding immediately following the Closing from first funds available following the Closing and in all circumstances prior to the payment of any distributions to Maker's members on account of their equity interests. If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State of New Jersey, such payment shall be made on the next succeeding business day. Payments under this Note shall be applied first to the payment of late fees and other costs and charges (including attorneys' fees) due in connection with this Note, as Payee determines in its sole discretion, then to the payment of accrued but unpaid interest, and then to reduction of the outstanding principal balance. The entire outstanding Principal Amount may be prepaid in whole or in part, at Maker's option, at any time and from time to time, without premium, penalty or discount. All payments under this Note shall be made by check payable to Payee or by ACH transfer to an account designated by Payee.

3. Interest Rate. Interest shall accrue on the Principal Amount hereof outstanding from time to time at a rate of six percent (6%) per annum, compounded annually.

4. Security. The repayment by Maker of the Principal Amount together with accrued interest and any other amounts described in this Note is secured by the Loan Agreement, which grants to Payee a security interest in the assets and income of Maker.

5. Conditions for Additional Advances. Subject to the terms of this Note and the Loan Agreement, all funds made available by Payee for an Advance during the Advance Period shall be conditioned upon satisfaction of all of the following requirements, unless waived in writing by Payee: (a) the requested advances are needed to cover payroll, vendor invoices, insurance premiums, or other operating expenses or obligations of Maker or for such other purpose as mutually agreed upon by Maker and Payee; (b) Maker has suffered a cash shortage as a result of business operations; (c) no default has occurred under a Loan Document, or a breach by Maker or any of its members or affiliates under the Letter of Intent dated June 12, 2024 by and among Maker, its affiliates, affiliates of Payee and certain other parties named therein (as amended) (the "LOI"), the Asset Purchase Agreement or any related agreement between Maker and Payee; and (d) Maker has provided all documentation and information reasonably requested by Payee.

6. Default Rate of Interest. If the outstanding Principal Amount plus all accrued interest and charges, fees and expenses due hereunder are not paid by the Maturity Date or if the Maturity Date is accelerated as a result of an Event of Default (defined below), then the interest rate to be paid by Maker shall be twelve percent (12%) per annum, compounded annually (the "Default Rate"). The Default Rate shall apply commencing from the Maturity Date, or the date of the Event of Default, as applicable, and after as well as before the entry of a judgment in respect of this Note; and Maker consents and agrees that any such judgment shall so provide.

7. Acceleration Upon Default. Upon the occurrence of an Event of Default as defined herein, and at any time thereafter, Payee, at Payee's option in its sole discretion, may declare all sums of principal and interest outstanding hereunder to be immediately due and payable; provided that, upon the occurrence of any Event of Default described in sub-clauses (a), (b) or (c) of the definition of Event of Default, all sums of principal and interest outstanding hereunder shall be automatically and simultaneously become due and payable effective upon the occurrence of such Event of Default. An "Event of Default" shall mean any of the following: (a) Maker shall receive third-party financing subsequent to the date hereof from a party other than Payee or an affiliate thereof and fails to make

payment due hereunder within five (5) calendar days; (b) the commencement of proceedings in bankruptcy, reorganization or readjustment of the debts of Maker, under the Bankruptcy Code, as amended, or any part thereof, or under any other laws, whether state or federal, an assignment for the benefit of creditors, the appointment of a receiver or trustee for Maker or its assets, or the commencement of proceedings for the dissolution or the full or partial liquidation of Maker, which proceeding is not dismissed within ninety (90) days of commencement; (c) Maker sells all or a portion of its assets to a third party outside the ordinary course of business, merges or consolidates with another entity, undergoes a change in ownership or control (except in connection with a transaction with Payee or a party affiliated with Payee), or enters into an agreement to perform any of the foregoing; (d) Maker declares or pays any dividends on or makes any distribution with respect to any class of its ownership interests or other securities prior to the Maturity Date; (e) Maker or its members terminate, amend, modify, rescind or otherwise change Maker's certificate of organization, limited liability company agreement or other organizational documents, other than the adoption of an amended and restated operating agreement in accordance with the Asset Purchase Agreement and any amendments subsequent thereto; (f) the misrepresentation in, or the breach or non-performance of a material term or condition by Maker under this Note or any of the other Loan Documents, the Term Sheet, the Interim Management Agreement, or the Asset Purchase Agreement; (g) Maker sustains a material adverse change in its condition (financial or otherwise) which remains uncured for thirty (30) days; provided, however, that if the purported material adverse change in condition is not of a financial nature, Payee shall not treat the applicable event or change as an Event of Default without providing Maker with a reasonable opportunity to demonstrate that the applicable event or change is not a material adverse change; or (h) rendering of a judgment against Maker in an amount in excess of One Hundred Thousand Dollars ($100,000.00), after taking into account Maker's insurance coverage limits applicable to such judgment, if applicable. For the purposes of this paragraph, material adverse changes do not include events or changes that are not specific to the Payee (e.g., changes in reimbursement rates).

8. Miscellaneous.

(a) Rights and Remedies. Payee shall have all rights and remedies provided for by any law of any kind (including all forms of legal and equitable relief) with respect to any acceleration or any other breach or default hereunder and Payee shall in addition have any other rights and remedies provided for in this Note. All rights and remedies contemplated in the preceding sentence shall be independent and cumulative, and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one right or remedy shall not be deemed to be an election of such right or remedy or to preclude or waive the exercise of any other right or remedy. In the event that this Note is placed in the hands of an attorney to enforce any or all rights that Payee may have hereunder, including without limitation rights to payment and accelerated payment, or to execute or foreclose upon any property to collect upon this Note, Maker agrees to pay to Payee on demand, all reasonable attorneys' fees and legal and other expenses, including costs of collection and enforcement, which Payee may incur in collecting and/or enforcing this Note, to the fullest extent permitted by law, whether or not suit is commenced, including without limitation such reasonable costs and expenses incurred in bankruptcy or insolvency proceedings; and Payee shall be entitled to all such additional amounts to be secured by this Note.

(b) Severability. If any provision of this Note or the application thereof to any person(s) or circumstance(s) shall be invalid or unenforceable to any extent, then: (i) the remainder of this Note and the application of such provision to other persons or circumstance(s) shall not be

affected thereby; and (ii) each such provision shall, as to such person or circumstances as to which it is not enforceable in full, be enforced to the greatest extent permitted by law.

(c) Amendments; No Waiver; Successors and Assigns. No amendment, modification, rescission, waiver, forbearance, consent to or release of any provision of this Note shall be valid or binding unless made in writing and executed by Maker and a duly authorized representative of Payee. No consent or waiver, express or implied, by Payee to or of any breach by Maker in the performance by it of any of its obligations hereunder shall be deemed or construed to be a consent to or waiver of the breach in the performance of the same or any other obligation of Maker hereunder. Failure on the part of Payee to complain of any act or failure to act by Maker or to declare Maker in breach irrespective of how long such failure continues, shall not constitute a waiver by Payee of any of its rights hereunder. All of the terms, covenants and conditions contained in this Note shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, personal representatives, estates, successors and permitted assigns, provided that Maker may not assign this Note or assign or delegate any of its obligations hereunder to any other person or entity without the prior written consent of Payee, which may be withheld in Payee's sole and absolute discretion, and any such attempted assignment or delegation without such consent shall be void.

(d) Governing Law; Jurisdiction; Notices. This Note, including the performance and enforceability hereof, shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to the principles of conflicts of law. For the purpose of this Note and any controversy arising hereunder, Maker expressly and irrevocably submits and consents in advance to the exclusive jurisdiction of the courts located in the State of New Jersey and waives any objection (on the grounds of lack of jurisdiction or *forum non conveniens*, or otherwise) to the exercise of such jurisdiction over it by any such court located in the State of New Jersey. Any notice, demand or other written document in connection with this Note shall be in writing signed by the party giving such notice and delivered to the address set forth in the first paragraph of this Note.

(e) No Setoff; Waiver of Notice. Maker expressly agrees that the Principal Amount of this Note, plus all accrued interest, shall be paid to Payee strictly according to the terms of this Note and/or the Asset Purchase Agreement and related documents (so long as repayment of this Note is addressed therein), or under federal, state or local law or in equity. Maker hereby waives presentment, demand for payment, notice of dishonor and of protest against the payment hereunder, and all other notices or demands in connection with the delivery, acceptance, performance, default or endorsement of this Note.

(f) Interest Savings. Anything in this Note to the contrary notwithstanding, in no event shall the interest charged or collected in connection with this Note exceed the maximum amount allowed by applicable law (federal or state, whichever is more favorable to Payee).

(g) Waiver of Jury Trial. BY THE EXECUTION HEREOF, MAKER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREES THAT NEITHER MAKER NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF MAKER SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS NOTE, THE LOAN AGREEMENT, OR ANY OTHER LOAN DOCUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS EVIDENCED BY THIS NOTE OR TO THE

DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES HERETO. NEITHER MAKER NOR PAYEE WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT OR CAN NOT BE WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTION. NEITHER MAKER NOR PAYEE HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR PAYEE TO ENTER INTO THIS TRANSACTION.

(*Signature page to follow*)

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the day and year first above written.

EOH ACQUISITION GROUP, LLC D/B/A EAST ORANGE GENERAL HOSPITAL

By:_____
Name: Benjamin Klein
Title: Manager

[Signature Page to Promissory Note – IMSA Loan and Security Agreement]

TAB X

INTERIM MANAGEMENT SERVICES AGREEMENT

This Interim Management Services Agreement (this "Agreement"), dated August 19, 2024 (the "Effective Date"), is made by and between **EOH Acquisition Group, LLC, d/b/a CareWell Health Medical Center**, a Delaware limited liability company ("Company" or the "Hospital"), and **ECR Management, LLC**, a New Jersey limited liability company ("Manager") (Company and Manager each being a "Party" and collectively, the "Parties").

R E C I T A L S:

WHEREAS, Company owns and operates an acute care hospital facility that provides a full range of inpatient services located at 300 Central Avenue, East Orange, New Jersey 07018 (the "Premises");

WHEREAS, the Company is experiencing financial difficulties;

WHEREAS, Manager and its affiliates are offering to provide management and business support services, as described herein;

WHEREAS, ECR OPCO, LLC ("Opco Buyer"), an affiliate of Manager and Company have entered into that certain Asset Purchase Agreement, dated as of the date hereof, (the "Asset Purchase Agreement"), pursuant to which, among other things, Company will sell all or substantially all of the assets of Company to Opco Buyer (the "Proposed Transaction");

WHEREAS, the Parties recognize that there will be an interim period between the Effective Date and the closing of the Proposed Transaction (the "Closing"), during which time Company desires for Manager to provide business support services to Company; and

WHEREAS, Company will continue operating its hospital until the Closing and now engages Manager to assist Company by providing the administrative and management services as set forth herein until such Proposed Transaction is consummated.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company and Manager agree as follows:

1. **Management Services**.

1.1 **Engagement of Manager**. Company hereby engages Manager, on an exclusive basis and, subject to Section 2, with the exclusive authority, to provide certain management and business support services under the supervision of Company, as further described below, to help facilitate the daily operations of the Hospital, and Manager hereby accepts the engagement, on the terms set forth in this Agreement. The services to be provided hereunder by Manager are intended to assist the Company with evaluating and implementing strategic initiatives; provided, however, that the type and level of services provided hereunder shall be limited by and Section 2 below. Manager may subcontract services to be provided hereunder by Manager, including, without

limitation, to Manager's affiliates and subcontractors. Manager may, but is not obligated to, enlist Company's senior executives to assist Manager with discharging duties related to the standard operation of the Hospital. If and to the extent that any billing and/or collection services to be provided by Manager hereunder are provided by a third-party contracted by Manager (including without limitation Manager's affiliates or subcontractors), Manager shall inform such third-party of the terms and conditions of this Agreement and shall oversee the provision of all such services.

1.2 **Duties of Manager**. Subject to Section 2 hereof, Manager shall have authority to provide management and business support services, assist with the administration, supervision and management of the daily, non-clinical operations of the Hospital consistent with the requirements of all applicable federal and state laws and regulations. Subject to the foregoing, Manager's specific responsibilities shall include the following:

1.2.1 **Personnel**. Manager shall assist in the oversight of the non-clinical personnel of the Company. All such personnel shall remain employees of Company or its affiliates, if applicable, during the Term (as defined below).

1.2.2 **Billing and Collections**. Manager shall oversee the billing and collection of all accounts receivables for the services provided to the Hospital's patients on behalf of, and for the account of, Company, in accordance with Company's policies and procedures and all applicable laws and regulations.

1.2.3 **Operations**. Manager shall: (a) arrange for and order medical and office supplies that may be required to operate the Hospital; (b) oversee the preparation of reports of operations and activities which may be required by state, local or federal regulatory agencies; (c) arrange for the maintenance and repairs, as necessary, of the Premises and equipment and machines at the Hospital, (d) oversee financial condition of the Hospital and assist in making payments owed to vendors and suppliers of the Hospital, which may include assistance in negotiations of past-due payables; and (e) procure and administer leases and other contracts for the benefit for the Hospital, including but not limited to managed care contracts, and (f) provide or arrange for strategic and advisory services in the operation of the Hospital (such as attorneys, accountants, auditors and other advisors, who shall be selected by Manager in its sole discretion), and including but not limited to strategic and advisory services within the areas of finance, tax, insurance, compliance and information technology. With respect to the oversight of the financial condition of the Hospital, Manager may seek to identify which receipts collected by the Hospital after the Effective Date pertain to either items or services provided before the Effective Date ("Pre-Interim Receipts") or to items or services provided after the Effective Date ("Interim Receipts"). Manager may administer the timely payments of the Hospital's obligations incurred on or after the Effective Date with Interim Receipts. However, to the extent additional funds are necessary to fund the operations of the Hospital during the Term (or as Manager reasonably deems necessary), Manager may use the Pre-Interim Receipts to fund the Hospital's operations. Should additional Pre-Interim Receipts remain, Manager may, under the direction of Company, pay any obligations incurred by Company prior to the Effective Date with Pre-Interim Receipts. All obligations incurred prior to or after the Effective Date shall remain the obligations of the Company.

1.2.4 **Patient Files**. Manager shall assist with the maintenance of patient files to permit eligibility verification and efficient and timely response to inquiries from patients, payors

and physicians. All patient medical records shall remain the sole property of Company, and shall be treated as confidential so as to comply with all state and federal laws regarding the confidentiality of patient records, including any applicable requirements in effect under the Health Insurance Portability and Accountability Act of 1996, or the regulations promulgated pursuant thereto. Manager shall have access to the patient files for the purposes necessary to perform its duties under this Agreement, subject to all applicable laws and regulations governing the confidentiality and privacy of such records. Company and Manager shall execute the Business Associate Agreement in the form attached hereto as **Exhibit A**.

1.2.5 **Marketing**. Manager shall assist with and may make recommendations to Company with respect to website development, publicity, developing brochures, written documents and other written products, visual and audiovisual marketing strategies relating to the Hospital.

1.2.6 **Other**. Manager may provide such other services to or on behalf of Company only as the Parties may mutually agree upon and identify in an addendum to this Agreement executed by both Parties.

1.3 **Notwithstanding Clause**. Notwithstanding any other provision in this Agreement to the contrary, Company remains responsible to ensure that all services provided by Manager under this Agreement comply with all pertinent provisions of federal, state and local statutes, rules and regulations.

1.4 **No Exclusion**. Neither Manager, nor any of its affiliates, employees, representatives, agents and contractors directly or indirectly providing services under this Agreement with respect to the operations of the Hospital: (a) is currently or has ever been, excluded, debarred, or otherwise ineligible to participate in any federal or state healthcare programs; (b) has been convicted of a criminal offense related to the provision of healthcare items and services; (c) are presently under investigation, have knowledge of a pending investigation, or are otherwise aware of any circumstances which may result in such individual or entity being excluded from participation in any federal or state healthcare programs or convicted of a criminal offense related to the provision of healthcare items and services; and (d) is a Specially Designated National or a Blocked Person as defined by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

1.5 **Affiliate Transactions**. Manager covenants and agrees that any fees, costs, expenses or other amounts payable to any affiliate of Manager for any equipment, space, personnel, supplies, goods or other services shall, to the extent included in the Management Fee, will be consistent with fair market value.

1.6 **Reporting**.

1.6.1 Manager's employees, representatives and personnel (the "Manager Personnel") shall have the right to be present on-site and meet with the Company or its representatives (collectively, the "Company Representatives") at least on a daily basis (or as less frequently if so determined by Manager) in order to review the Hospital's performance and examine, inspect or make copies of the books and records (paper, electronic or otherwise) relating

to the operations and management of the Hospital and to review and discuss any matters. Without limiting the foregoing, the Manager Personnel shall have the right to access any and all reports, information, and documents, whether in-person or remote (including being provided unbridled access to any and all of the Hospital's electronic medical records, document retrieval, and financial management systems). To that end, the Company shall, and shall direct its affiliates to provide the Manager Personnel with real-time access to all the books and records and other systems (and personnel familiar with such documents and systems). All such books and records relating to the operations and management of the Hospital shall not be removed by Company from their respective locations as they existed prior to the Effective Date without the express written consent of Manager. The Parties agree that the books and business records of the operations and management of the Hospital will remain under the ownership and control of Company at all times, and that Manager will function in an administrative capacity in performing its obligations hereunder.

1.6.2 The Manager Personnel shall direct all inquiries regarding operations, procedures, policies, employee relations, patient care, and all other matters concerning the Hospital to the Company Representatives and the Company Representatives shall fully cooperate with, and timely respond to Manager and the Manager Personnel in connection with any such inquiries during the Term.

1.6.3 Manager shall have full access and transparency to all financial information and data pertaining to the operations and financial performance of the Hospital. Further, Company shall prepare and submit to Manager all information for Manager to generate financial statements prepared in a manner substantially consistent with generally accepted accounting practices (whether accrual, cash, or tax), showing actual revenues and expenses of the Hospital, including, without limitation, operating costs and estimated accounts receivable activity.

1.7 **Bank Accounts**. During the Term, all proceeds and collections will continue to be deposited, either electronically or manually, into the bank accounts listed on Schedule 1.6 (the "Depository Accounts"). Prior to the Effective Date, the Company shall have taken all actions necessary to add certain Manager Personnel designated by Manager to be added as additional signatories to the Depository Accounts. Except for the transfers to the Manager Account, the Company shall not remove, disburse, transfer, use, pledge, hypothecate, grant a lien on or security interest in, or otherwise encumber any funds in the Depository Accounts during the Term. The Company shall execute such documents for the banks at which the Depository Accounts are held (the "Depository Banks") as Manager may reasonably require, including without limitation, a limited power of attorney, to permit the Depository Banks to receive the proceeds and collections, endorse any checks, drafts, notes, money orders, cash, insurance payments, and other instruments relating to such proceeds and collections, deposit the proceeds and collections into the Depository Accounts, and to transfer the proceeds and collections each day from the Depository Accounts into the Manager Account.

1.8 **Legal Actions**. During the Term, Manager may institute or defend or appeal or mediate or arbitrate, in its own name or in the name of the Company any and all legal actions or proceedings with individuals, entities or governmental agencies or similar authorities relating to the operation of the Hospital, including, without limitation, to collect charges, or other sums due

to the Company in connection with the Hospital, or lawfully cancel, modify, or terminate any contract for the breach thereof or default thereunder by the other party or parties thereto.

2. **Retention of Authority**. During the Term, Company shall retain the ultimate authority over and responsibility for all clinical matters related to the Hospital, including, without limitation licensure, regulatory compliance, quality assurance, accreditation and governance. By entering into this Agreement, Company does not delegate to Manager any of Company's duties and responsibilities vested exclusively in Company by law. Nothing in this Agreement shall alter, weaken, displace or modify the authority of the executive leadership and governing body of the Company with respect to clinical operation and management of the Hospital and the affairs of Hospital. The Parties mutually acknowledge and agree that any services provided pursuant to this Agreement are intended to constitute assistance and support to the governing body and executive leadership of Company, and are not intended and shall not be construed to grant Manager any rights or interests in, nor decision-making authority with respect to, Company or its clinical operations, and the rights and interests of Manager shall be limited to as expressly set forth herein or in the Asset Purchase Agreement. Further, the Parties hereby acknowledge and agree that this Agreement does not constitute an assignment of any license, certificate or registration issued by any governmental authority, including the license issued by New Jersey Department of Health for the Hospital.

3. **Relationship of the Parties**. The Parties hereby acknowledge and agree that, in its performance under this Agreement, Manager shall be in the relation of an independent contractor to Company providing services to Company, and nothing herein is intended to or shall be construed as creating a partnership, trustee, fiduciary, joint venture, or employment relationship between Company and Manager. As such, neither Party shall be responsible for the cost of wages, payroll taxes, paid time off accrued or earned, fringe benefits and other compensation or benefits associated with the other Party's personnel.

4. **Compensation**.

4.1 **Expenses**. The objective of this Agreement is for Manager to provide Company and the Hospital with certain management and business support services. Accordingly, Manager shall be responsible, on behalf of Company, for paying from Company's receipts all expenses incurred in connection with the operation of the Hospital during the Term, including, without limitation, costs related to administration and management of the Hospital, real property lease(s), equipment lease(s), outstanding payables, personnel, maintenance of the premises and equipment, utilities, supplies, and insurance coverages (collectively, the "Expenses"). Manager or its affiliates may, but is not obligated to, loan Company any shortfall amount resulting from the operations of the Hospital during the Term, in accordance with Section 4.4 below. Notwithstanding any language in this Agreement, in no event shall Manager be responsible for the payment of any liabilities or indebtedness of the Hospital or Company incurred, arising from or pertaining to the operation of the Hospital prior to the Term or any indebtedness due or payable after this Agreement is terminated, including, without limitation, amounts due to Company's or Hospital's secured creditors and unsecured creditors including, but not limited to, unpaid vendors and suppliers existing as of the Effective Date.

4.2 **Management Fee; Reimbursement**. As compensation for all of Manager's duties and obligations under this Agreement, Company shall owe and pay to Manager a management fee equal to the sum of the number of hours per month expended by Manager towards the provision of services hereunder multiplied by the hourly rates set forth on Schedule 4.2 (the "Management Fee"). Additionally, Company shall reimburse Manager all amounts which may have been advanced by Manager's or its affiliates pursuant to Section 4.4 below to pay Expenses promptly from Company's available cash, net of Expenses, received from the Company's receipts, with the terms of repayment to be governed by the terms of the promissory note and loan and security agreement described in Section 4.4 below. Company's obligations to pay earned Management Fees and to repay any funds advanced by Manager or its affiliates for payment of the Hospital's Expenses shall survive the termination, expiration or non-renewal of this Agreement for any or no reason.

4.3 **Method of Payment**.

4.3.1 During the Term, the Company will owe and pay Manager the Management Fee on a weekly basis during the Term or such other frequency as determined by Manager, from Company's available cash, net of Expenses, received from the receipts of the Hospital collected by or on behalf of Company during the Term in one or more of the Depository Accounts to a bank account owned and exclusively controlled by Manager at a banking institution selected by Manager (the "Manager Account").

4.3.2 Manager is hereby authorized to make payment from any "due to" account (as shown on the books and records of Manager) to itself of any amounts due to it by the Hospital or Company under this Agreement or otherwise, including, without limitation, the Management Fee, and the Company acknowledges that any amounts due to Manager under this Agreement, including without limitation, any Management Fee and repayment of advances for Expenses, shall be of as senior a priority as possible, and shall not be subordinate to the payment of, any amount due to any other creditor of Company. Without limiting the foregoing, any Management Fee earned, but not paid, shall accrue (but not abated) and Manager shall have the sole discretion to defer payment of such fee at any time during the Term hereof.

4.3.3 In the event Company's revenue collections during the Term are insufficient to pay the Management Fee on any given due date, the Management Fee will accrue (but not abated) and payment shall be deferred until such time as adequate collections are received by Company. In the event any Management Fee payments hereunder are deferred and unpaid for a period of thirty (30) days or more, as a penalty, interest shall attach to such outstanding Management Fee payments at a rate equal to 12% per annum. For the avoidance of doubt, the Management Fee will not be paid through a draw from the Loan (defined below) made available to Company by Manager or its affiliates, if any, but if not paid timely will accrue interest as a separate obligation of the Company to Manager.

4.3.4 Company hereby grants to Manager a security interest in Company's Collateral (as defined herein) to secure payment of the Management Fee, any accrued interest, repayment of Expenses and other outstanding charges due hereunder and the performance of all Company's obligations herein (collectively, the "Obligations"). Company hereby specifically authorizes Manager, at any time and from time to time, to file financing statements, continuation

statements and amendments thereto that describe the Collateral as "all income and personal property of debtor," all assets of debtor or words to similar effect, and contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including any organization identification number issued to Company. Company agrees to furnish any such information to Manager promptly upon request. Any such financing statements, continuation statements or amendments may to the extent required by applicable law be signed by Manager on behalf of Company and may be filed at any time in any jurisdiction. Company hereby irrevocably constitutes and appoints Manager and any officer or agent thereof, with full power of substitution, as Company's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Company and in the name of Company or in its own name, from time to time in Manager's discretion, for the limited purpose of carrying out the terms of this subsection regarding perfection by filing. All powers, authorizations and agencies contained in this subsection are coupled with an interest and are irrevocable until all of the Obligations have been paid and satisfied in full. Company hereby grants to Manager a blanket security interest in the following described property (collectively, the "Collateral"):

4.3.4.1.presently existing and hereafter arising accounts receivables, contract rights, and all other forms of obligations owing to Company arising out of the sale or lease of goods or the rendition of services by Company, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, and Company's Books (defined below) relating to any of the foregoing (collectively, "Accounts");

4.3.4.2.present and future general intangibles and other personal property (including payment intangibles, choses or things in action, goodwill, patents, trade names, trademarks, service marks, copyrights, blueprints, drawings, purchase orders, patient lists, moneys due or recoverable from pension funds, route lists, moneys due under any royalty or licensing agreements, infringement claims, software, computer programs, computer discs, computer tapes, literature, reports, catalogs, deposit accounts, insurance premium rebates, tax refunds, and tax refund claims) other than goods and Accounts, and Company's Books relating to any of the foregoing (collectively, "General Intangibles");

4.3.4.3.present and future rights to payments or performance under letters of credit, letter-of-credit rights (whether or not evidenced by a writing) and other supporting obligations, notes, drafts, instruments (including promissory notes), certificated and uncertificated securities, documents, leases, and chattel paper (whether tangible or electronic), and Company's Books relating to any of the foregoing (collectively, "Negotiable Collateral");

4.3.4.4.present and future supplies and inventory in which Company has any interest, including goods held for sale or to be furnished under a contract of service and all of Company's present and future raw materials, work in process, finished goods, and packing and shipping materials, wherever located, and any documents of title representing any of the above, and Company's Books relating to any of the foregoing (collectively, "Supplies");

4.3.4.5.present and hereafter acquired instruments, tools, equipment, furniture, furnishings, fixtures, goods (other than consumer goods), and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located (collectively, "Equipment");

4.3.4.6.present and hereafter acquired books and records (subject to applicable law, including without limitation laws collectively referred to as HIPAA) including: ledgers; records indicating, summarizing, or evidencing Company's assets or liabilities, or the Collateral; all information relating to Company's business operations or financial condition; and all computer programs, disc or tape files, printouts, funds or other computer prepared information, and the equipment containing such information (collectively, the "Company's Books");

4.3.4.7.present and hereafter acquired securities (whether certificated or uncertificated), securities accounts, commodity contracts and accounts, securities entitlements and other investment property (collectively "Investment Property");

4.3.4.8.present and hereafter acquired deposit accounts (collectively "Deposit Accounts");

4.3.4.9.present and hereafter acquired commercial tort claims (collectively "Tort Claims"); and

4.3.4.10. substitutions, replacements, additions, accessions, proceeds, products to or of any of the foregoing, including but not limited to, proceeds of insurance covering any of the foregoing, or any portion thereof, and any and all Accounts, General Intangibles, Negotiable Collateral, Supplies, Equipment, Deposit Accounts, Tort Claims, money, deposits, accounts, or other tangible or intangible property resulting from the sale or other disposition of the Accounts, General Intangibles, Negotiable Collateral, Supplies, Equipment, Deposit Accounts, Tort Claims, or any portion thereof or interest therein and the proceeds thereof.

4.3.4.11. Notwithstanding the foregoing, Collateral shall not include: (i) any lease, license, contract or other agreement of Company if the grant of a security interest in such lease, license, contract or other agreement is prohibited under the terms of such lease, license, contract or other agreement or under applicable law, but only to the extent such prohibition is not rendered unenforceable or ineffective by Article 9 of the Uniform Commercial Code, as enacted in New York (the "UCC") or other applicable law; provided, however, that a security interest shall attach to such lease, license, contract or other agreement immediately at such time as the condition causing such prohibition shall be eliminated or remedied; and (ii) any Equipment owned or leased by Company which is subject to a lien securing purchase money debt or lease obligations pursuant to documents which prohibit such party from granting any other liens in such property, but only for so long as such prohibition shall be in effect. Upon any default under this Agreement, Manager shall have any all remedies available under applicable law and the UCC.

4.4 **Loan**. Manager' affiliate, Opco Buyer, may, but is not obligated to, advance funds to Company (the "Loan"), provided that Manager shall have the sole discretion as to the amount and specific use of loan proceeds (*i.e*., the specific Expense paid using Loan proceeds, and the amount of funds used to pay that specific Expense). The funds from the Loan shall only be used to cover Expenses incurred during the Term, unless otherwise explicitly agreed upon between Company and Manager. The Asset Purchase Agreement shall set forth the terms of the Loan and in connection therewith, to evidence Company's request to borrow funds under the Loan, Company shall execute and deliver to Opco Buyer, concurrently therewith a promissory note and a loan and security agreement securing the repayment of the Loan with security interests in Company's assets and income, both in the forms attached to the Asset Purchase Agreement, together with documentation reasonably satisfactory to Opco Buyer evidencing that Company has obtained all corporate approvals and consents necessary for it to borrow the Loan.

5. **Insurance**. During the Term, Company shall continue to maintain all existing insurance or coverage (e.g., general liability, professional liability, and workers' compensation) for the benefit of the Hospital.

6. **Indemnification**.

6.1 Company shall indemnify and hold harmless Manager (including its officers, managers, employees, members, agents, affiliates, successors and assigns) (collectively, the "Manager Indemnitees") against and in respect of any and all losses, liabilities, judgments, fines, fees, expenses (including reasonable attorneys' fees and costs) (collectively, "Losses") incurred or suffered by Manager Indemnitees to the extent resulting from, arising out of or relating to (a) any act or omission of Company, its employees, officers, managers, directors, members, affiliates and agents in connection with the operation of the Hospital or (b) any breach by Company, its employees, officers, managers, directors, members, affiliates or agents of any of Company's representations, warranties, covenants, obligations or duties under this Agreement.

6.2 Manager shall indemnify and hold harmless Company (including its officers, managers, directors, employees, members, agents, affiliates, successors and assigns) (the "Company Indemnitees") against and in respect of any and all Losses incurred or suffered by Company Indemnitees to the extent resulting from, arising out of or relating to (a) any fraud, gross negligence or willful misconduct of Manager, its employees, officers, managers, directors, members, affiliates or agents, or (b) any material breach by Manager, its employees, officers, managers, directors, members, affiliates or agents of any Manager's representations, warranties, covenants, obligations or duties under this Agreement; provided, however, that Manager shall not be obligated under this Section 6.2 to indemnify Losses in excess of the aggregate amount of Management Fees actually paid to Manager during the Term.

6.3 The amount of an indemnitee's indemnified Losses pursuant to this Section 6 shall be offset by the amount of any insurance proceeds actually recovered from insurers with respect to such Losses (net of any deductibles, co-payments or out-of-pocket costs of collection and any increase in insurance premiums attributable to such recovery). Each indemnitee shall use commercially reasonable efforts to pursue insurance recoveries to the extent available with respect to Losses subject to indemnification under this Section 6.

6.4 The obligations of Company and Manager pursuant to this Section 6 shall survive the termination, non-renewal or expiration of this Agreement.

7. **Term of Agreement; Termination**.

7.1 **Term**. Subject to the termination provisions contained herein, the term of this Agreement (the "Initial Term") shall commence on the Effective Date and end on the earlier of (a) the date of the Closing, or (b) the date of the termination of the Asset Purchase Agreement for any or no reason; provided, however, that in the event that there is no Closing and/or the Asset Purchase Agreement is terminated for any or no reason, then Manager shall the option, upon written notice to Company, to elect to extend the Initial Term for an additional thirty (30) year period which shall automatically renew for successive fifteen (15) year periods (the "Extended Term" and together with the Initial Term collectively, the "Term") unless this Agreement is otherwise terminated in accordance with the termination provisions set forth herein. If Manager elects to so extend the Initial Term, then all of the provisions herein shall continue in full force and effect during the Extended Term except that the hourly rates set forth on Schedule 4.2 shall be increased by five (5%) percent for each year of the Extended Term.

7.2 **Termination for Material Breach**. If either Party materially breaches any material covenant, representation, warranty, agreement, term or provision of this Agreement, then the breaching Party shall have thirty (30) days to cure such breach after receipt of written notice from the non-breaching Party (the "Cure Period"), which notice shall state the specific breach. If, after the applicable Cure Period above, the breach continues and has not been cured by the breaching Party, then the non-breaching Party may immediately terminate this Agreement by giving notice thereof to the breaching Party.

7.3 **Termination by Mutual Agreement**. This Agreement may be terminated by the mutual written agreement of both Parties.

7.4 **Force Majeure**. Neither Party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to Acts of God, war, civil commotion, fire, flood or casualty, epidemics, pandemics, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the Parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

8. **Power of Attorney**. Company hereby appoints Manager as its attorney-in-fact for the limited purpose of performing the functions described in this Agreement, including, without limitation, the authority to (a) supervise and oversee the submission, processing and collection of all claims for payment from patients and third-party payors; (b) endorse all checks made payable to Company in connection with the professional services and technical services rendered by the Company; (c) supervise and oversee the remittance of any collections from patients and third-party payors; (d) cause to be paid from Company funds all accounts payable; and (e) participate in any proceeding before any governmental agency arising out of the operation of the Company during the Term. For purposes of performing the functions described herein, Company hereby further

authorizes Manager (or representatives thereof) to act as signatory of the Company's operating accounts with financial institutions, to sign negotiable instruments on Company's behalf and to make withdrawals from the Company's operating accounts with financial institutions.

9. **Miscellaneous**. The recitals appearing in the beginning of this Agreement are true and correct and hereby incorporated herein by reference. This Agreement shall be governed by New Jersey law without regard to its conflicts of law principles. A Party's failure to enforce a provision of this Agreement or insist upon strict adherence to any term, covenant or condition of this Agreement, shall not constitute a waiver of such Party's rights to enforce such provision or any other provision or term of this Agreement. All waivers must be made in writing and signed by the Party granting the waiver. If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provisions had not been contained herein; provided that the remaining terms and provisions of the Agreement shall be construed as to not deprive either Party of the benefit of its bargain under this Agreement. This Agreement cannot be changed or modified except by an amendment in writing signed by both Parties. This Agreement contains the entire understanding of the Parties with respect to the subject matter contained herein and this Agreement supersedes all prior oral and written agreements and understandings between the Parties with respect to such subject matter. All notices, requests, demands, and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly delivered when received, if personally delivered; the next day, if sent by Federal Express (or similar overnight service); and delivered five (5) days after it is sent, if mailed via first class mail. Each Party has been represented (or has had the opportunity to be represented) by legal counsel in connection with the negotiation and execution of this Agreement. This Agreement shall not be interpreted in favor of any Party due to the fact that this Agreement was prepared by the other Party's legal counsel. This Agreement may be executed in several counterparts, each of which shall be deemed a duplicate original so long as each Party has executed one counterpart; all of which counterparts collectively shall constitute one instrument representing this Agreement. A counterpart signed and sent by facsimile transmission or by e-mail shall be deemed duly executed and delivered.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned Parties have executed this Interim Management Services Agreement as of the date first above written.

COMPANY:

EOH Acquisition Group, LLC
d/b/a CareWell Health Medical Center

By:_____ Benjamin Klein
Name: Benjamin Klein
Title: Manager

MANAGER:

ECR Management, LLC

By:_____
Name: Feliks Kogan
Title: Manager

IN WITNESS WHEREOF, the undersigned Parties have executed this Interim Management Services Agreement as of the date first above written.

COMPANY:

EOH Acquisition Group, LLC
d/b/a CareWell Health Medical Center

By:_____
Name: Benjamin Klein
Title: Manager

MANAGER:

ECR Management, LLC

By: Feliks Kogan
Name: Feliks Kogan
Title: Manager

Schedule 1.6

Depository Accounts of Hospital

Schedule 4.2

Hourly Rates

Specialty	Clinical	Rate
Principal Consultant	N	$700-$900
Business Advisor	N	$625-$700
Clinical Consultant	Y	$325
Marketing Level 2	N	$225
Marketing Level 1	N	$275
Marketing Level 3	N	$175
OR TECH	Y	$150
SPD Consultant	Y	$150
OR RN	Y	$185

Exhibit A

Business Associate Agreement

(See attached)

BUSINESS ASSOCIATE AGREEMENT

THIS AGREEMENT (this "Business Associate Agreement") is made as of August 19, 2024, by and between **EOH Acquisition Group, LLC d/b/a CareWell Health Medical Center**, a Delaware limited liability company (the "Company"), and **ECR Management, LLC**, a New Jersey limited liability company ("Business Associate").

WHEREAS, the Company operates an acute care hospital facility in East Orange, New Jersey and is a "covered entity," as that term is defined under the Health Insurance Portability and Accountability Act of 1996, as amended, which includes the Privacy Rule (defined below), the Security Rule (defined below), and the Privacy provisions (Subtitle D) of the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (the "HITECH Act") (collectively "HIPAA");

WHEREAS, the Company is committed to complying with HIPAA;

WHEREAS, Business Associate is committed to complying with the portions of HIPAA that are applicable to Business Associate and its relationship with Company;

WHEREAS, Business Associate is engaged in the business of consulting with individuals and entities engaged in the development of freestanding outpatient ambulatory surgical Hospitals and providing ongoing business support, administrative and management services to ambulatory surgical Hospitals;

WHEREAS, the Company and Business Associate (the "Parties") have entered into an Interim Management Services Agreement, dated as of even date herewith (the "Agreement").

WHEREAS, in discharging its duties under the Agreement, the Business Associate will receive protected health information (as defined below) of patients of the Company;

WHEREAS, the Company and Business Associate are required under HIPAA to enter into an agreement with each other regarding the Business Associate's use and disclosure of PHI that complies with each of the requirements set forth in 45 C.F.R. 164.504(e), as amended;

NOW, THEREFORE, in consideration of the premises above, the Parties, intending to be legally bound, hereby agree to the following:

1. Definitions. Unless otherwise provided in this Agreement, capitalized terms shall have the same meaning as set forth under HIPAA.

(a) "Individual" means the person who is the subject of PHI, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(b) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E, and any regulations promulgated in connection therewith.

(c) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(d) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(e) "Security Rule" shall mean the administrative, technical and physical safeguards set forth in 45 C.F.R. Parts 160–64, in compliance with Social Security Act §1473(d) (42 U.S.C. §1320-21d), and any regulations promulgated in connection therewith.

(f) "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of the Company.

(g) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

(h) "Breach" shall have the same meaning as the term "breach" in Public Law 111-5 Section 13400 (1).

2. Obligations and Activities of Business Associate. Except as otherwise limited in this Business Associate Agreement or as Required by Law, Business Associate may use or disclose PHI of the patients of the Company to perform functions, activities, or services for, or on behalf of, the Company as specified in the Agreement, provided that such use or disclosure would not violate the Agreement, Business Associate Agreement, the minimum necessary policies and procedures of the Company or the Business Associate's obligations under the Privacy Rule, including 45 C.F.R. § 164.504(e), as amended.

(a) Business Associate agrees not to use or further disclose PHI other than as permitted or required by this Business Associate Agreement, the Privacy Rule as amended, or as Required by Law.

(b) Business Associate agrees not to use or further disclose PHI other than as permitted or required by this Business Associate Agreement, the Privacy Rule as amended, or as Required by Law.

(c) Business Associate acknowledges that it is statutorily required to comply with the Security Rule and agrees to develop, implement, maintain and use appropriate administrative, technical and physical safeguards, in compliance with the Security Rule, to preserve the integrity and confidentiality of and to prevent non-permitted or violating use or disclosure of PHI received for or from the Company. Business Associate will document and keep these safeguards current.

(d) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI in violation of this Business Associate Agreement.

(e) Business Associate agrees to promptly report to the Company any use or disclosure of PHI not provided for by this Agreement or under HIPAA of which it becomes aware including any Breach of unsecured PHI. If Business Associate reports any such Breach to the Company, the notice provided by the Business Associate must include the identity of the individual whose unsecured PHI has been, or is reasonably believed to have been accessed, acquired or disclosed during such breach, and any additional information required by HIPAA. Business Associate agrees to cooperate with Company upon report of any such Breach so that Company may provide the individual affected by such Breach with proper notice as required by HIPAA.

(f) Business Associate agrees to ensure that any agent (including a subcontractor) to whom it provides PHI received from the Company, or created or received by Business Associate on behalf of Company, agrees to the same restrictions and conditions that apply through this Business Associate Agreement with respect to such information.

(g) Business Associate agrees to provide access, at the request of the Company, and in the time and manner designated by the Company, to PHI in a Designated Record Set to the Company, or as directed by the Company, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524.

(h) Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Company directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of the Company or an Individual, and in the time and manner designated by the Company.

(i) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from the Company, or created or received by Business Associate on behalf of the Company, available to the Company, or to the Secretary, for purposes of the Secretary determining the Company compliance with the Privacy Rule.

(j) Business Associate agrees to document its disclosures of PHI and maintain a log of information related to such disclosures in accordance with the requirements of 45 C.F.R. 164.528, and Public Law 111-5 Section 13405 (c).

(k) Business Associate agrees to provide to the Company or an Individual, in the time and manner designated by Company or as Required by Law**,** information collected in accordance with Section 2(i) of this Business Associate Agreement, to permit the Company to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and Public Law 111-5 Section 13405(c).

3. Obligations of the Company.

(a) The Company shall notify Business Associate of any limitation(s) in its privacy practices of the Company in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(b) The Company shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) The Company shall notify Business Associate of any restriction to the use or disclosure of PHI that the Company has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. Term and Termination.

(a) Term. The term of this Business Associate Agreement (the "Term") shall be effective as of the effective date of the Agreement, and shall terminate when all of the PHI provided by the Company to Business Associate, or created or received by Business Associate on behalf of the Company, is destroyed or returned to the Company , or if it is infeasible to return or destroy such PHI, protections are extended to such information, in accordance with the termination provisions in this Section 4.

(b) Termination for Cause. Upon Company's knowledge of a material breach by Business Associate, Company shall provide an opportunity for Business Associate to cure the breach or end the violation within a reasonable period of time. Company may terminate this Business Associate Agreement if Business Associate does not cure the breach or end the violation within the time specified by Company.

(c) Effect of Termination.

(1) Upon termination of this Business Associate Agreement, for any reason, Business Associate shall return or destroy all PHI received from the Company or created or received on behalf of the Company. This provision shall extend and apply to PHI that is in the possession of subcontractors or agents of Business Associate that is received from, or created or received on behalf of the Company. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(2) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to the Company notification of the conditions that make return or destruction not feasible. Upon notice to the Company by Business Associate that return or destruction of the PHI is not feasible, Business Associate shall extend the protections of this Business Associate Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

5. Amendment. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for the Company to comply with the requirements of HIPAA and the Privacy Rule.

6. Survival. The respective rights and obligations of the Parties under Section 4 of this Business Associate Agreement shall survive the termination of the Term of this Business Associate Agreement.

7. Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the Company to comply with HIPAA.

8. Notice. Any and all communications required under this Business Associate Agreement shall be sent by registered or certified mail, return receipt requested, postage prepaid, and shall be addressed to the recipient's last known business address.

9. Counterparts. This Business Associate Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the Parties have duly executed this Business Associate Agreement as of the date first written above.

COMPANY:

EOH Acquisition Group, LLC
d/b/a CareWell Health Medical Center

By: Benjamin Klein
Name: Benjamin Klein
Title: Manager

BUSINESS ASSOCIATE:

ECR Management, LLC

By:_____
Name: Feliks Kogan
Title: Manager

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