

AFFILIATION AGREEMENT
BY AND AMONG
TRI-CITY HEALTHCARE DISTRICT
SHARP HEALTHCARE
AND
TRI-CITY MEDICAL CENTER CORPORATION
DATED: _____, 2025

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AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (“Affiliation Agreement” or “Agreement”), is made and entered into as of [_____] , 2025 (“Agreement Date”), by and among **SHARP HEALTHCARE**, a California nonprofit public benefit corporation (“SHARP”), **TRI-CITY MEDICAL CENTER CORPORATION**, a California nonprofit public benefit corporation (“STCMC”) (collectively, SHARP and STCMC are referred to herein as the “SHARP Parties”), and **TRI-CITY HEALTHCARE DISTRICT** (the “DISTRICT”), a political subdivision of the State of California, organized and existing pursuant to the Div. 23 of the California Health & Safety Code (the “Local Hospital District Law”). SHARP, STCMC and the DISTRICT may each be individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, SHARP is the parent of a nonprofit multi-hospital health care system that operates, among other health care-related assets, four acute-care hospitals, three specialty hospitals, three affiliated medical groups and a licensed healthcare service plan in and around San Diego County, California.

WHEREAS, the DISTRICT owns and operates Tri-City Medical Center (“TCMC”), a 386-bed general acute care hospital located in Oceanside, California, and is a provider of ambulatory clinical and related services at various office locations in support of TCMC.

WHEREAS, the boards of directors of SHARP, STCMC and the DISTRICT deem the affiliation of the DISTRICT and TCMC with SHARP and STCMC, on the terms and subject to the conditions set forth in this Affiliation Agreement (the “Affiliation”) to be desirable and in the best interest of their respective communities, and each has approved the Parties’ entering into this Affiliation Agreement.

WHEREAS, the Affiliation shall be conducted and structured in a manner consistent with any and all applicable requirements of Sections 32121 and 32126 of the California Health and Safety Code, including, without limitation, requirements related to the lease of TCMC-related property (including real property, furniture, fixtures and equipment used in the operation of TCMC) for a period not to exceed thirty (30) years, certain requirements related to the use of assets to be transferred to STCMC for the benefit of the communities served by the DISTRICT, satisfaction of public meeting requirements by the DISTRICT, the DISTRICT’s obtaining a timely valuation of assets to be transferred to STCMC, and any other required review processes and approvals.

WHEREAS, the Affiliation is intended to accomplish the following objectives:

- A. Enhance the provision of high quality, efficient and affordable health care services to the communities served by the DISTRICT and the SHARP Parties;
- B. Continue the SHARP Parties’ mission to provide comprehensive healthcare services that support the health and medical needs of the general public residing in the communities served by the SHARP Parties and the DISTRICT;

C. Deepen the SHARP Parties', the DISTRICT's and TCMC's collective ability to achieve performance excellence goals and enhance each other's skills, competencies and capabilities; and

D. Continue the Parties' respective tax-exempt and public missions to improve the health and wellbeing of their local communities.

WHEREAS, the Parties wish to enter into and effectuate the Affiliation to accomplish the foregoing purposes as further described in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the respective representations, warranties, covenants and agreements contained in this Affiliation Agreement, and for good and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Affiliation Agreement agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions. The following terms have the definitions set forth below or ascribed thereto in the section of this Agreement identified below:

1.1.1 "Affiliate" means any corporation, partnership, limited liability company, sole proprietorship or other person or entity that, directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the person or entity specified.

1.1.2 "Affiliation" has the meaning set forth in the preamble to this Agreement.

1.1.3 "Affiliation Agreement" and "Agreement" have the meaning set forth in the preamble to this Agreement.

1.1.4 "Affiliation Agreements" has the meaning set forth in Section 4.2.

1.1.5 "Agreement Date" has the meaning set forth in the preamble to this Agreement.

1.1.6 "Amended Foundation Articles" has the meaning set forth in Section 2.1.4.1.

1.1.7 "Amended Foundation Bylaws" has the meaning set forth in Section 2.1.4.1.

1.1.8 "Amended Foundation Governance Documents" has the meaning set forth in Section 2.1.4.1.

1.1.9 "Amended STCMC Articles" has the meaning set forth in Section 2.1.5.1.

- 1.1.10 “Amended STCMC Bylaws” has the meaning set forth in Section 2.1.5.1.
- 1.1.11 “Amended STCMC Governance Documents” has the meaning set forth in Section 2.1.5.1.
- 1.1.12 “Assumed Contracts” has the meaning set forth in Article I of the Transfer Agreement.
- 1.1.13 “Assumed Leases” has the meaning set forth in Article I of the Transfer Agreement.
- 1.1.14 “Assumed Liabilities” has the meaning set forth in Article I of the Transfer Agreement.
- 1.1.15 “Business” means TCMC and all its related healthcare services, facilities, assets, and operations conducted at or in connection with TCMC including, but not limited to, inpatient, outpatient, emergency, diagnostic, therapeutic, and ambulatory clinical services.
- 1.1.16 “Carlsbad Lease” has the meaning set forth in Section 2.1.1.
- 1.1.17 “CERCLA” has the meaning set forth in Section 5.13.
- 1.1.18 “Closing” has the meaning set forth in Article 3.
- 1.1.19 “Closing Date” has the meaning set forth in Section 3.1.
- 1.1.20 “CMIR” means a Cost Market Impact Review, as defined in Section 127507.2 of the California Health and Safety Code, as amended.
- 1.1.21 “Confidentiality Agreement” has the meaning set forth in Section 10.1.
- 1.1.22 “Cure Period” has the meaning set forth in Section 7.4.
- 1.1.23 “Disclosure Schedules” means the disclosure schedules delivered by DISTRICT to the SHARP Parties concurrently with the execution and delivery of this Agreement.
- 1.1.24 “Dispute” has the meaning set forth in Section 13.1.
- 1.1.25 “Dispute Notice” has the meaning set forth in Section 13.1.
- 1.1.26 “DISTRICT” has the meaning set forth in the preamble to this Agreement.
- 1.1.27 “DISTRICT Board” has the meaning set forth in Section 2.1.5.2.
- 1.1.28 “DISTRICT Financial Statements” has the meaning set forth in Section 5.3.

1.1.29 “DISTRICT Indemnitees” has the meaning set forth in Section 12.2.

1.1.30 “DISTRICT’s Knowledge” means, after due inquiry, the actual current knowledge of the DISTRICT’S Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Compliance Officer as of the Agreement Date and/or the Closing Date, as applicable; and also, after due inquiry, the actual current knowledge of Susan Bond as of the Agreement Date.

1.1.31 “Effective Time” has the meaning set forth in Article 3.

1.1.32 “Eligible Employees” has the meaning set forth in Section 6.2.3.2.

1.1.33 “Encumbrance” means mean any mortgage, pledge, assessment, security interest, lease, sublease, lien, adverse claim, levy, right of way, easement, covenant, charge or other encumbrance of any kind, or any conditional sale contract, title retention contract, or other contract to give or to refrain from giving any of the foregoing.

1.1.34 “Epic System” has the meaning set forth in Section 9.5.3.

1.1.35 “ERISA” has the meaning set forth in Section 5.17.

1.1.36 “Estoppel Certificate” has the meaning set forth in Section 6.2.1.

1.1.37 “Excluded Assets” has the meaning set forth in Article I of the Transfer Agreement.

1.1.38 “Excluded Contracts” has the meaning set forth in Article I of the Transfer Agreement.

1.1.39 “Excluded Liabilities” has the meaning set forth in Article I of the Transfer Agreement.

1.1.40 “Existing Landlord” has the meaning set forth in Section 6.2.1.

1.1.41 “General Obligation Bonds Property Tax Revenues” has the meaning set forth in Section 9.11.

1.1.42 “GO Bonds” has the meaning set forth in Section 9.6.

1.1.43 “Government Programs” has the meaning set forth in Section 5.8.4.

1.1.44 “Governmental Authority” means any U.S. federal, state, or local government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, or any party contracted by any of the foregoing to administer, oversee, or provide services in relation to any Government Program.

1.1.45 “Healthcare Laws” means Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient

Referrals Act, as amended (the Stark Law), 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 8701 - 8707; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA; the HITECH Act, all legal requirements relating to the provision of, or billing or payment for health care items or services, or relating to health care information; and all applicable implementing regulations, rules, ordinances, judgments, and orders; and any Laws related to licensing, certificate of need, regulatory and reimbursement, corporate practice of medicine, and physician fee splitting.

1.1.46 “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. §§ 1320d-1329d-8 and the rules and regulations promulgated thereunder.

1.1.47 “Hired Employees” has the meaning set forth in Section 6.2.3.1.

1.1.48 “Hitech Act” means the Health Information Technology for Economic and Clinical Health Act, 42 U.S.C. §§ 3000 et seq. and the rules and regulations promulgated thereunder.

1.1.49 “Hospital Lease” has the meaning set forth in Section 2.1.1.

1.1.50 “Insurance” has the meaning set forth in Section 5.14.

1.1.51 “Intellectual Property” has the meaning set forth in Section 5.18.1.

1.1.52 “JV Company” and “JV Companies” have the meaning set forth in Section 5.1.

1.1.53 “Laws” means statutes, laws, ordinances, regulations, rules, codes, orders, judgments, decrees, Permits, zoning requirements and other requirements of any Governmental Authority.

1.1.54 “Leased Premises” means the real property (including any improvements located thereon) that is the subject of the Leases.

1.1.55 “Leases” has the meaning set forth in Section 2.1.1.

1.1.56 “Local Hospital District Law” has the meaning set forth in the preamble to this Agreement.

1.1.57 “Losses” has the meaning set forth in Section 12.1.1.

1.1.58 “Material Adverse Effect” has the meaning set forth in Section 5.23.

1.1.59 “Medical Staff Bylaws” has the meaning set forth in Section 5.7.

1.1.60 “National Priorities List” has the meaning set forth in Section 5.13

1.1.61 “Non-General Obligation Bonds Tax Revenues” has the meaning set forth in Section 9.11.

1.1.62 “Negotiation Period” has the meaning set forth in Section 13.2.

1.1.63 “OHCA” means the California Office of Health Care Affordability.

1.1.64 “Parties” and “Party” have the meaning set forth in the preamble to this Agreement.

1.1.65 “Permit” and “Permits” have the meaning set forth in Section 5.6.2.

1.1.66 “Permitted Encumbrance” means (a) any liens for taxes or other assessments not yet due and payable; (b) any zoning, building codes, and other land use Laws and directives affecting the Properties; (c) any statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies or any carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s, repairmen’s or similar Encumbrances arising out of work performed, services provided or materials delivered; (d) any matters shown by the Title Policies to which the SHARP Parties’ do not object or which are waived (or deemed waived) or insured over by the SHARP Parties’ under this Agreement; (e) any Encumbrance with respect to any mortgage, deed of trust, indenture or other instrument for or relating to DISTRICT indebtedness or the borrowing of money described in the Financial Statements or otherwise on the Disclosure Schedules, and (f) any Encumbrance under any Assumed Contract or any Assumed Lease that is made available to the SHARP Parties by the DISTRICT.

1.1.67 “Private Programs” has the meaning set forth in Section 5.8.4.

1.1.68 “Properties” has the meaning set forth in Section 5.13.

1.1.69 “PTO” has the meaning set forth in Section 6.2.3.5.

1.1.70 “Settlement Proposal” has the meaning set forth in Section 13.3.

1.1.71 “SHARP” has the meaning set forth in the preamble to this Agreement.

1.1.72 “SHARP Financial Statements” has the meaning set forth in Section 4.3.

1.1.73 “SHARP Indemnitees” has the meaning set forth in Section 12.1.1.

1.1.74 “SHARP Parties” has the meaning set forth in the preamble to this Agreement.

1.1.75 “STCMC” has the meaning set forth in the preamble to this Agreement.

1.1.76 “STCMC Board” has the meaning set forth in Section 2.1.5.2.

1.1.77 “SHARP Parties’ Knowledge” means the actual current knowledge of SHARP’s and STCMC’s Chief Executive Officer, Chief Operating Officer, Chief Financial

Officer, and Chief Legal Officer as of the Agreement Date and/or the Closing Date, as applicable.

1.1.78 “TCMC” has the meaning set forth in the recitals to this Agreement.

1.1.79 “TCMC Foundation” means the Tri-City Hospital Foundation, a California nonprofit public benefit corporation.

1.1.80 “TCMC Leased Premises” has the meaning set forth in Section 2.1.1.

1.1.81 “TCMC Medical Staff” has the meaning set forth in Section 9.7.1.

1.1.82 “Title Company” shall mean Chicago Title Insurance Company or another title insurance company reasonably approved by the SHARP Parties.

1.1.83 “Transfer Agreement” has the meaning set forth in Section 2.1.2.

1.1.84 “Transfer Documents” has the meaning set forth in Section 4.2.

1.1.85 “Transferring Assets” has the meaning set forth in Article I of the Transfer Agreement.

1.1.86 “WARN Events” has the meaning set forth in Section 6.2.3.9.

ARTICLE 2 STRUCTURE

2.1 The Affiliation. Subject to the satisfaction or waiver of the conditions set forth in Article 7 and Article 8 of this Affiliation Agreement, on the Closing Date, the following shall occur and the Affiliation shall become effective as of the Effective Time:

2.1.1 The DISTRICT shall lease the “TCMC Leased Premises” (as defined by the Hospital Lease) to STCMC pursuant to a Lease Agreement in the form of Exhibit 2.1.1-A attached hereto (the “Hospital Lease”) and the DISTRICT shall lease the Carlsbad Leased Premises (as defined by the Carlsbad Lease) to STCMC pursuant to a Lease Agreement in the form of Exhibit 2.1.1-B attached hereto (the “Carlsbad Lease” and the DISTRICT shall lease the [] (as defined in the [] Lease) to STCMC pursuant to a Lease Agreement in the form of Exhibit 2.1.1.-[] attached hereto (the [] Lease, and collectively with the Carlsbad Lease, and the Hospital Lease, the “Leases”).

2.1.2 The DISTRICT shall transfer and convey the Transferring Assets to STCMC, including the rights and obligations of the DISTRICT under the Assumed Contracts, and the rights and obligations of the DISTRICT under the Assumed Leases, pursuant to a Transfer Agreement in the form of Exhibit 2.1.2 (the “Transfer Agreement”). The Transferring Assets shall not include, and the Transfer Agreement shall not result in the transfer to the SHARP Parties of, the Excluded Assets.

2.1.3 Assumed Liabilities; Excluded Liabilities. Effective as of the Effective Time, subject to and in accordance with the terms and conditions of the Transfer Agreement, STCMC shall assume, and shall perform and discharge any obligations when due or sooner with respect to, the Assumed Liabilities but shall not assume or have any obligations with respect to the Excluded Liabilities.

2.1.4 TCMC Foundation Governance Documents.

2.1.4.1 The DISTRICT shall cause the Articles of Incorporation of the TCMC Foundation to be amended, in a form of Exhibit 2.1.4-A (the “Amended Foundation Articles”), and shall cause the bylaws of the TCMC Foundation to be amended, in a form of Exhibit 2.1.3-B (the “Amended Foundation Bylaws”, and with the Amended Foundation Articles, the “Amended Foundation Governance Documents”), such that STCMC shall become the sole member of the TCMC Foundation as of the Effective Time.

2.1.4.2 After the Closing, the TCMC Foundation shall continue as a tax-exempt organization operating for the benefit and in support of TCMC and STCMC’s TCMC-related mission.

2.1.5 STCMC Governance Documents.

2.1.5.1 The SHARP Parties shall cause the Articles of Incorporation of the STCMC to be amended, in a form of Exhibit 2.1.5-A (the “Amended STCMC Articles”), and shall cause Bylaws of the STCMC to be amended, in a form of Exhibit 2.1.5-B (the “Amended STCMC Bylaws”, and with the Amended STCMC Articles, the “Amended STCMC Governance Documents”).

2.1.5.2 The Amended STCMC Governance Documents shall provide that (a) the DISTRICT shall have the right to designate up to up to five (5) voters residing within the DISTRICT’s geographic boundaries to serve on STCMC’s board of directors (the “STCMC Board”), which designations shall be subject to the approval of SHARP as STCMC’s sole member, which shall not be unreasonably withheld; (b) the DISTRICT shall not have the right to designate, select or appoint any members serving on the DISTRICT’s board of directors (the “DISTRICT Board”) to the STCMC Board either before or after the Effective Time; (c) the DISTRICT may recommend up to three (3) members of the DISTRICT Board to the nominating committee of the STCMC Board for consideration, which will review the recommendations along with and in the same manner as all other candidates being considered for election and appointment to the STCMC Board; (d) all members of the STCMC Board shall be elected and appointed by SHARP other than *ex officio* directors and the DISTRICT’s designees approved by SHARP; (e) at no time shall (i) more than three (3) members of the DISTRICT Board serve concurrently as members of the STCMC Board, and (ii) more than a total of five (5) members of the STCMC Board be comprised of the DISTRICT’s designees approved by SHARP and members of the DISTRICT Board; and (f) DISTRICT Board members serving as members of the STCMC Board shall receive no compensation from STCMC.

2.2 Taking of Necessary Action; Further Action. Each Party shall take all lawful actions as may be reasonably necessary or appropriate to effect the transactions contemplated by

this Affiliation Agreement. If at any time after the Effective Time any further action is reasonably necessary or required to effectuate the Affiliation and carry out the purposes of the Affiliation Agreements, the Parties shall, subject to the applicable corporate authority of their respective organizations, take all such lawful and necessary actions.

ARTICLE 3

CLOSING; CLOSING DELIVERABLES

3.1 Closing. Subject to the terms and conditions of this Agreement, the consummation of the Affiliation (the “Closing”), shall take place remotely (or in person if agreed to by the Parties) via the exchange of executed documents and other deliverables on (or as soon as practicable before) the last day of the calendar month during which the public vote approving the Affiliation Agreements and the transactions contemplated herein is certified, subject to the satisfaction or waiver of the conditions to the Closing set forth in Article 7 and Article 8 below. The date on which the Closing actually occurs is herein referred to as the (“Closing Date”). The Closing shall be deemed to be effective at 12:00:01 a.m. on the day immediately following the Closing Date (the “Effective Time”). The Parties shall use commercially reasonable efforts to fulfill and satisfy the various conditions and obligations under this Affiliation Agreement on or prior to the Closing Date.

3.2 Certain Closing Deliverables. At Closing, the DISTRICT and the SHARP Parties shall execute and deliver, as applicable:

3.2.1 The Leases together with all other agreements, documents or instruments contemplated therein;

3.2.2 The Transfer Agreement together with all other agreements, documents or instruments contemplated therein;

3.2.3 The Amended Foundation Governance Documents, including the Amended Foundation Articles filed with and certified by the California Secretary of State and the Amended Foundation Bylaws certified by the TCMC Foundation’s Secretary or Assistant Secretary;

3.2.4 The Amended STCMC Governance Documents, including the Amended STCMC Articles filed with and certified by the California Secretary of State and the Amended STCMC Bylaws certified by the TCMC Foundation’s Secretary or Assistant Secretary; and

3.2.5 All other agreements, documents or instruments required of the Parties by any other provision of this Agreement, or as reasonably requested to be produced to consummate the transactions contemplated by this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE SHARP PARTIES

SHARP and STCMC make the following representations and warranties with respect to their respective organizations and acknowledge that such representations and warranties will be relied upon by the DISTRICT for the purposes of this Agreement.

4.1 Organization. SHARP and STCMC each are a nonprofit corporation duly organized and validly existing in good standing under the laws of the State of California, with the power and authority necessary or required by any and all applicable Laws to conduct the health care and other businesses as presently conducted by their respective entities. SHARP and STCMC have provided to the DISTRICT true, valid, and complete copies of each of SHARP's and STCMC's articles of incorporation and bylaws as of the Agreement Date. Neither SHARP nor STCMC is in default under its articles of incorporation or bylaws, the effect of which might adversely affect its right to operate its business as presently conducted, and there are no pending or, to the SHARP Parties' Knowledge, threatened proceedings or actions intending to (a) limit or impair any of SHARP's or STCMC's powers, rights and privileges in a manner that would prevent or impede the SHARP Parties' performance hereunder, or (b) dissolve or liquidate SHARP or STCMC.

4.2 Authorization; Noncontravention; Consents. The SHARP Parties each have the power and requisite authority to enter into this Affiliation Agreement, the Leases and the Transfer Agreement (the "Transfer Documents" and collectively, with the Leases and Affiliation Agreement, the "Affiliation Agreements"), and to carry out their respective obligations under such Affiliation Agreements, as applicable. The SHARP Parties have respectively taken all required corporate action to authorize, approve and adopt the Affiliation Agreements and to carry out their respective obligations under this Affiliation Agreement, including the execution and delivery of the Transfer Documents pursuant to this Affiliation Agreement. This Affiliation Agreement is a legally valid and binding agreement of the SHARP Parties, enforceable against the SHARP Parties in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights, and as limited by general principles of equity that restrict the availability of equitable remedies. The Transfer Documents, upon execution and delivery on the Closing Date, will be legally valid and binding agreements of the SHARP Parties, enforceable against the SHARP Parties in accordance with their respective terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights, and as limited by general principles of equity that restrict the availability of equitable remedies. Except as required in this Agreement, no other proceeding or action on the part of the SHARP Parties is necessary to authorize execution, delivery and performance under this Affiliation Agreement or the Transaction Documents. The execution and delivery of this Affiliation Agreement by the SHARP Parties, and the execution and delivery of the Transfer Documents by STCMC, together with the consummation of the transactions contemplated thereby, do not and shall not (i) conflict with any provision of the Articles of Incorporation or Bylaws of SHARP or STCMC, or (ii) conflict with, violate or constitute a default under, or result in the creation or imposition of any lien, charge, encumbrance or claim of any nature whatsoever upon any properties or assets of SHARP or

STCMC pursuant to any provision of any indenture, mortgage, deed of trust, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which any of them is a party or to which any of their properties or assets are bound or any applicable Law, ordinance, regulation, decree or order of any Governmental Authority. Except as set forth in Disclosure Schedule 4.2, no authorization, consent, order or approval of, or filing or qualification with, any Governmental Authority is necessary for the consummation by SHARP or STCMC of the transactions contemplated by this Affiliation Agreement.

4.3 Financial Statements. SHARP has furnished DISTRICT with true and complete copies of (a) its unaudited consolidated quarterly financial statement(s) for fiscal quarter(s) ended as of December 31, 2024; March 31, 2025; and June 30, 2025, and (b) its audited consolidated financial statement for the fiscal years ended as of [September 30, 2025] together with the related Report of Independent Auditor prepared by Ernst & Young, independent certified public accountants (collectively referred to as the “SHARP Financial Statements”). To the SHARP Parties’ Knowledge, except as set forth on Disclosure Schedule 4.3, the SHARP Financial Statements have been prepared in accordance with generally accepted accounting principles of the United States of America applied on a consistent basis throughout the periods covered by the SHARP Financial Statements, are consistent with SHARP’s accounting records, and fairly present in all material respects the consolidated financial position of SHARP at their respective dates and the results of its consolidated operations and cash flows for the respective periods then ended. To the SHARP Parties’ Knowledge, except as set forth on Disclosure Schedule 4.3, SHARP has no material liability or obligation, fixed or contingent, that is not reflected or reserved against in the SHARP Financial Statements or otherwise set forth in the notes thereto, other than liabilities incurred in the ordinary course of business after [September 30, 2025], which in the aggregate do not have a Material Adverse Effect on the financial condition, business, or results of operations of the SHARP Parties on a consolidated basis.

4.4 Tax Status. SHARP is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California and has received determination letters or acknowledgment letters, as applicable, as to its tax-exempt status from the Internal Revenue Service and the Franchise Tax Board of the State of California, which have not been revoked, rescinded or modified. STCMC has been organized and operated in a manner consistent with exemption from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California, and has submitted all necessary forms, documents, and other information to receive determination letters or acknowledgment letters, as applicable, as to its tax-exempt status from the Internal Revenue Service and the Franchise Tax Board of the State of California. To the SHARP Parties’ Knowledge, there are no facts or circumstances concerning the current operations or structure of their respective organizations which would be reasonably expected to result in their current or pending, as applicable, tax-exempt status being rescinded, revoked, or challenged.

4.5 Litigation. Except as set forth on Disclosure Schedule 4.5, there is no action, suit or proceeding pending or, to the SHARP Parties’ Knowledge, threatened against or affecting the SHARP Parties, at Law or in equity, or before any Governmental Authority, which either singularly or in the aggregate would, if adversely determined, be reasonably expected to result in any Material Adverse Effect in the financial condition, properties, business, results of operations

of the SHARP Parties, and there is no judgment, decree, order, writ, or injunction of any court or Governmental Authority against or affecting the SHARP Parties, which, either singularly or in the aggregate, had or would reasonably be expected to have any Material Adverse Effect on the financial condition, properties, business, results of operations, or prospects of the SHARP Parties.

4.6 Brokers or Finders. No person, broker or finder is entitled to any brokerage or finder's fee, other commission, fee or similar compensation in connection with the transactions contemplated by this Agreement based on any contract or arrangement made by or on behalf of either or both of the SHARP Parties.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

The DISTRICT makes the following representations and warranties with respect to itself and, in addition, each of the DISTRICT's representations and warranties is also made, to the extent applicable, with respect to the Business of TCMC and the assets to be transferred as Transferring Assets or leased to STCMC as part of the Affiliation. The DISTRICT acknowledges that such representations and warranties shall be relied upon by the SHARP Parties for the purposes of this Agreement.

5.1 Organization. The DISTRICT is a local hospital district, duly organized and existing and in good standing under the Constitution and Laws of the State of California, and has the full legal right, power and authority to own or lease its properties and to conduct the Business as presently being conducted by the DISTRICT and TCMC. Except as disclosed on Disclosure Schedule 5.1, the DISTRICT has no subsidiaries and is not a partner in any partnership, limited liability company, or other similar entity. Further, and except as disclosed on Disclosure Schedule 5.1, the DISTRICT is not a party to any joint venture (each such disclosed joint venture is referred to as a "JV Company" and collectively, as the "JV Companies"). Disclosure Schedule 5.1 lists all JV Companies and Affiliates of the DISTRICT and describes the equity securities, if any, of each such entity, the number of shares or other ownership interests of each class authorized, the number of shares or other ownership interests outstanding, and the number of shares or other ownership interests owned directly or indirectly by the DISTRICT, or the percentage of equity or other ownership interests so owned, as applicable. Disclosure Schedule 5.1 also identifies whether each such entity is tax-exempt or taxable.

5.2 Authorization; Noncontravention; Consents. The DISTRICT has the power and requisite authority to enter into the Affiliation Agreements, and to carry out its obligations under such Affiliation Agreements. The DISTRICT has provided full and complete copies of its bylaws and any other controlling governance documents to the SHARP Parties. The DISTRICT has taken all required corporate action to authorize, approve and adopt this Affiliation Agreement and to carry out its obligations under this Affiliation Agreement, including the execution and delivery of the Transfer Documents pursuant to this Agreement. This Affiliation Agreement is a legally valid and binding agreement of the DISTRICT, enforceable against the DISTRICT in accordance with its terms except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of

creditors' rights, and as limited by general principles of equity that restrict the availability of equitable remedies. The Transfer Documents, upon execution and delivery on the Closing Date, will be legally valid and binding agreements of the DISTRICT, enforceable against the DISTRICT in accordance with their respective terms except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights, and as limited by general principles of equity that restrict the availability of equitable remedies. Except as required in this Agreement, no other proceeding or action on the part of the DISTRICT is necessary to authorize the DISTRICT's execution, delivery and performance under this Affiliation Agreement or the Transfer Documents. The execution and delivery of the Affiliation Agreements and the consummation of the transactions contemplated thereby, do not and will not (a) conflict with the Local Hospital District Law or any provision of the bylaws or other governance documents of the DISTRICT, or (b) conflict with, violate or constitute a default under, or result in the creation or imposition of any lien, charge, encumbrance or claim of any nature whatsoever upon any properties or assets of the DISTRICT pursuant to, any provision of any indenture, mortgage, deed of trust, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which the DISTRICT is a party or to which the DISTRICT or any of its properties or assets are bound or any applicable Law, ordinance, regulation, decree or order of any Governmental Authority. Except as set forth on Disclosure Schedule 5.2, no authorization, consent, order or approval of, or filing or qualification with any Governmental Authority is necessary for the consummation by the DISTRICT of the transactions contemplated by the Affiliation Agreements.

5.3 Financial Statements. The DISTRICT has furnished SHARP with true and complete copies of (a) its unaudited quarterly financial statement(s) for the fiscal quarter(s) ended as of December 31, 2024, March 31, 2025, and June 30, 2025, and (b) its audited financial statements for the fiscal years ended as of June 30, 2025, 2024 and 2023 together with the related Report of Independent Auditor prepared by Baker Tilly U.S. LLP, independent certified public accountants (collectively the "DISTRICT Financial Statements"). To the DISTRICT's Knowledge, except as set forth on Disclosure Schedule 5.3, the DISTRICT Financial Statements have been prepared in accordance with the accounting principles and methods required by the Governmental Accounting Standards Board applied on a consistent basis throughout the periods covered by the DISTRICT Financial Statements, are consistent with DISTRICT's accounting records, and fairly present in all material respects the financial position of the DISTRICT (including TCMC) at their respective dates and the results of its operations, its cash flows and changes in its financial position (including TCMC for these purposes) for the respective periods then ended. To the DISTRICT's Knowledge, except as set forth on Disclosure Schedule 5.3, neither the DISTRICT nor TCMC has any material liability or obligation, fixed or contingent, that is not reflected or reserved against on the balance sheets included in the DISTRICT Financial Statements or otherwise set forth in the notes thereto, other than liabilities incurred in the ordinary course of business after June 30, 2025, which in the aggregate do not have a Material Adverse Effect on the financial condition, properties, Business, or results of operations or prospects of the DISTRICT or TCMC.

5.4 Tax Status. The DISTRICT's revenue from its current operations is exempt from all federal, state, county and local income and franchise taxes. To the DISTRICT's Knowledge, there are no facts or circumstances concerning the current operations or structure of the

DISTRICT or TCMC that would be reasonably expected to result in the exemptions described in the immediately preceding sentence being rescinded, revoked, or challenged.

5.5 Litigation; Losses; Investigation. Except as set forth on Disclosure Schedule 5.5, there is no pending or, to the DISTRICT's Knowledge, threatened claim, action, suit, investigation or proceeding before any court, arbitrator, mediator or Governmental Authority against or affecting the DISTRICT, TCMC, or the Leased Premises which either singularly or in the aggregate would, if adversely determined, result in any Material Adverse Effect in the financial condition, properties, Business, results of operations or prospects of the DISTRICT or TCMC, or the use or development of the Leased Premises, and there is no judgment, decree, order, writ, or injunction of any court or Governmental Authority against or affecting the DISTRICT or TCMC, or the Leased Premises, which either singularly or in the aggregate, has had or would reasonably be expected to have any Material Adverse Effect in the financial condition, properties, Business, results of operations or prospects of the DISTRICT or TCMC, or the use or development of the Leased Premises.

5.6 Compliance with Applicable Law; Permits.

5.6.1 Subject to Section 5.8 below, the DISTRICT and TCMC each have complied in all material respects with all Laws that are applicable to or effect the Business or any owned or leased property of the DISTRICT and TCMC, and there are no currently pending or, to the DISTRICT's Knowledge, threatened investigations, probes or claims by any Governmental Authority against the DISTRICT or TCMC or the Leased Premises alleging or investigating a possible violation of any such Law that would be reasonably expected to have an Material Adverse Effect on the DISTRICT or TCMC, their operations, the use or development of the Leased Premises, or the DISTRICT's ability to perform its obligations under this Agreement.

5.6.2 The DISTRICT has made available to the SHARP Parties each permit, license, certification and other approval that is held by the DISTRICT and/or TCMC (each, a "Permit" and together, the "Permits"). Each Permit is valid and in full force and effect. To the DISTRICT's Knowledge, neither the DISTRICT nor TCMC has received any written notice or other communication from any Governmental Authority or any other person acting on behalf of any Governmental Authority, of (i) any actual, alleged (and reasonably credible), possible, or potential violation of or failure to comply with any term or requirement of any Permit where such violation or failure to comply would be materially adverse to the DISTRICT or TCMC's Business; or (ii) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any such Permit; and all applications required to have been filed for the renewal of such Permits have been duly filed on a timely basis with the appropriate Governmental Authorities. All other filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Authorities. The Permits held by the DISTRICT and/or TCMC constitute all of the Permits necessary to permit the DISTRICT and TCMC to lawfully conduct and operate its Business in the manner they currently conduct and operate such Business (except where failure to hold or maintain such Permit would not be reasonably expected to have a Material Adverse Effect with respect to such Business).

5.7 Medical Staff. The DISTRICT has made available to SHARP a correct and complete copy of the bylaws, rules and regulations of the TCMC Medical Staff (as defined herein) that are currently in effect (“Medical Staff Bylaws”). With regard to the TCMC Medical Staff, except as set forth on Disclosure Schedule 5.7, there are no pending or, to the DISTRICT’s Knowledge, threatened peer review proceedings, appeals or other disputes with applicants, staff members or health professional affiliates (including, without, limitation, allied health professionals and advanced practice providers). At all times in the past six (6) years, the DISTRICT and TCMC have maintained a process for reviewing the credentials of the members of the TCMC Medical Staff, and none of the California Department of Public Health, Medi-Cal, the Centers for Medicare & Medicaid Services or the Joint Commission have cited the DISTRICT or TCMC with any deficiencies in TCMC’s credentialing process or its Medical Staff Bylaws. To the DISTRICT’s Knowledge, in the past six (6) years, the DISTRICT and/or TCMC, as applicable, have made all required reports to the Medical Board of California, and the National Practitioner Data Bank.

5.8 Healthcare Laws. Except as set forth on Disclosure Schedule 5.8:

5.8.1 To the DISTRICT’s Knowledge, the DISTRICT is, and has been at all times for each of the past six (6) years, in material compliance with each Healthcare Law that is or was applicable to it and the Business conducted by the DISTRICT and TCMC, except where any noncompliance with Healthcare Laws has been limited to minor violations involving aggregate amounts less than Twenty Five Thousand Dollars (\$25,000), and that (i) do not involve fraud, willful misconduct, or gross negligence, (ii) have not resulted in, or are currently the subject of, any investigations or non-routine audits, that have or are expected to result in any material fines, penalties, or adverse actions against the DISTRICT, TCMC or any officer or director thereof. In addition, to the DISTRICT’s Knowledge, no event has occurred within the last six (6) years that would reasonably be expected to give rise to any material obligation on the part of the DISTRICT or TCMC to undertake, or to bear all or any portion of the cost of, any remedial action of any nature with respect to violation of any Healthcare Laws, including, without limitation events relating to the making of any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any person, private or public, regardless of form, whether in money, property, or services in violation of any federal or state anti-bribery or anti-kickback Law or other legal requirement. Within the last six (6) years, neither the DISTRICT nor TCMC has received any written notice or other communication from any Governmental Authority of (i) any actual, alleged and reasonably credible material violation of, or material failure to comply with, any Healthcare Laws, or (ii) any actual, alleged and reasonably credible obligation on the part of the DISTRICT or TCMC to undertake, or to bear all or any portion of the cost of, any material remedial action with respect to any actual or alleged violation of Healthcare Laws of any nature.

5.8.2 Neither the DISTRICT, TCMC nor any or any of their officers, directors or other representatives is subject to the terms of any corporate integrity agreements or programs, corrective action plans or compliance plans with a Governmental Authority that have not been fully implemented or satisfied, and the DISTRICT has disclosed its or TCMC’s participation in any such programs or plans during the past six (6) years to the SHARP Parties, whether or not implemented or satisfied.

5.8.3 To the DISTRICT's Knowledge, neither the DISTRICT nor TCMC has engaged in any activities that are prohibited under the Federal Controlled Substances Act, 21 U.S.C. §§ 801 et seq., the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§ 301 et seq., or the regulations promulgated pursuant to such statutes or any related state or local statutes or regulations concerning the dispensing and sale of controlled substances.

5.8.4 The DISTRICT and/or TCMC, as applicable, has timely filed all applicable reports, returns and filings, including filing information data (e.g., annual Medicare cost reports) with all applicable federal and state authorities and regulatory agencies as are required by federal or state Laws in accordance with any federal or state healthcare programs (including as defined in 42 U.S.C. Section 1320a-7b(f)), and including, without limitation, the Medicare, Medicaid/Medi-Cal, or Tricare programs (collectively, "Government Programs") in which it participates, the private third-party payor programs with which it is contracted ("Private Programs"), and all requirements of applicable fiscal intermediaries and contractors. To the DISTRICT's Knowledge, all such reports submitted by the DISTRICT or TCMC to Government Programs and Private Programs were complete and accurate in all material respects when filed and have been prepared in material compliance with all applicable Healthcare Laws governing reimbursement and payment of claims. The DISTRICT and TCMC have paid or caused to be paid in the ordinary course of business all material known and undisputed refunds, overpayments or adjustments that were or have become due to any Government Program or Private Program. Neither the DISTRICT nor TCMC (i) has any material pending appeals, adjustments, disputes, contested positions, challenges, litigation, or audits pending by or before a Governmental Authority or a Private Program with respect to submitted claims or cost reports, except for such appeals or individual claim denials that occur in the ordinary course of business; and (ii) within the last three (3) years, has been audited, surveyed or otherwise examined in connection with any Government Program or any Private Program other than audits, surveys or reviews that occur in the ordinary course of business. Neither the DISTRICT nor TCMC has received any notice of denial of payment, recoupment, or overpayment from any Government Program or Private Program, other than in the ordinary course of business.

5.8.5 All contracts with any Government Program or Private Program were entered into by the DISTRICT in the ordinary course of business. The DISTRICT is in material compliance with each of its respective contracts with any Government Program or Private Program, including any applicable requirements to provide quality assurance services, clinical service management, utilization review, outcomes monitoring, patient satisfaction, or complaint/grievance, credentialing and re-credentialing programs. To the DISTRICT's Knowledge, the DISTRICT has charged and billed in all material respects in accordance with the terms of its respective contracts with any Government Programs or Private Programs, including, where applicable, billing and collection of all deductibles and co-payments in all material respects. To the DISTRICT's Knowledge, (i) all claims that have been filed by it or TCMC were for services actually rendered, were properly coded, and were filed in compliance with all Government Program and Private Program requirements, including those regarding physician certification and recertification for services, and (ii) there are no pending or threatened claims related to the DISTRICT's or TCMC's performance (or non-performance) under such Government Programs or Private Programs. To the DISTRICT's Knowledge, the Government Programs and Private Programs with which it or TCMC participate and have performed all material obligations under, and are not in default of, any such programs or related agreements.

5.8.6 Neither (a) any member of the DISTRICT Board or any other TCMC governing body, (b) any officer, or any physician or other enrolled provider who is a current employee or former employee (either before or during the course of such former employee's employment) of the DISTRICT or TCMC, (c) to the DISTRICT's Knowledge (which for the purpose of this Section 5.8.6(c) only, will include [the Medical Staff Coordinator] of the DISTRICT), any member of TCMC's Medical Staff (including physicians, allied health professionals and advanced practice practitioners), nor, (d) to the DISTRICT's Knowledge, any other affiliated provider group, clinical or ambulatory operation, person or entity working in support of TCMC or the DISTRICT, or any third party vendor or independent contractor who furnishes services or supplies to the DISTRICT or TCMC that may be reimbursed in whole or in part under any Government Program, is, or was at the time of providing such services or supplies, excluded, suspended or debarred from participation or is or was otherwise ineligible to participate in any Government Program, or, to the DISTRICT's Knowledge, has been convicted of or charged with any violation of any Law related to any Government Program that is reasonably likely to serve as the basis for any such exclusion, suspension, debarment or other ineligibility.

5.9 Government Settlements/Reporting Agreements; Investigations; Compliance Program. Except as set forth on Disclosure Schedule 5.9, neither the DISTRICT nor TCMC (i) is a party to a corporate integrity agreement, deferred prosecution agreement, probationary agreement, settlement agreement or any other similar agreement with any Governmental Authority, (ii) has no reporting obligations pursuant to any agreement entered into with any Governmental Authority with respect to any agreement of the type describe in subsection (i) above, (iii) to the DISTRICT's Knowledge, are not currently and have not in the last six (6) years been the subject of any Government Program-related investigation conducted by any Governmental Authority, and (iv) to the DISTRICT's Knowledge, are not currently and have not in the last six (6) years been a defendant in any qui tam / False Claims Act litigation. The DISTRICT has provided to the SHARP Parties a copy of all of its correspondence within the past three (3) years with the Office of Inspector General of the Department of Health and Human Services, including all independent review organization reports, annual reports, reportable events and overpayments.

5.10 HIPAA and HITECH Act; Data Security. The DISTRICT and TCMC have (i) adopted and adhered, in all material respects, to such policies and procedures, and entered into such business associate agreements with business associates, as required with respect to the use and disclosure of Protected Health Information (as defined by HIPAA), (ii) completed audits, reviews, analyses, and assessments of all areas of its Business and operations subject to HIPAA as are required for the DISTRICT and TCMC to be in compliance with HIPAA and/or the HITECH Act, (iii) except as set forth on Disclosure Schedule 5.10, not had any material HIPAA breach (as such term is defined in HIPAA) occur with respect to any unsecured Protected Health Information maintained by or for the DISTRICT or TCMC that is subject to the notification requirements of 45 C.F.R. Part 164, Subpart D, (iv) has timely notified, and/or filed reports with, all Governmental Authorities with respect to any breaches, potential breaches, violations of, or other reportable matters, pursuant to HIPAA, the HITCEH Act or applicable California Law related to Protected Health Information, patient, customer and/or other data; and (v) except as set forth on Disclosure Schedule 5.10, no information security or privacy breach event (under HIPAA, the HITECH Act or any California Law) has occurred in the past six (6) years that

would require notification under HIPAA, the HITECH Act or any California Law. Neither the DISTRICT nor TCMC transmits or stores any personally identifiable information outside of the United States and, to the DISTRICT's Knowledge, does not have in effect any contract with any third party vendor under which the third party vendor transmits or stores any personally identifiable information of the DISTRICT or TCMC outside of the United States in violation of applicable Law. To the DISTRICT's Knowledge, each of the DISTRICT's and TCMC's practices concerning collection, use, analysis, retention, storage, protection, security, transfer, disclosure and disposal of personal information are and have been in compliance in all material respects with any written policies and procedures applicable to the DISTRICT and TCMC relating to the collection, processing, or disclosure of personally identifiable information, including, without limitation, all website and mobile application privacy policies and internal information security procedures. To the DISTRICT's Knowledge, the DISTRICT and TCMC have posted to their website(s) and each of its online sites and services, a terms of use or service and a privacy policy that complies in all material respects with Laws and accurately reflects the DISTRICT's and TCMC's practices concerning the collection, use, and disclosure of personal information by the site or service.

5.11 No Default. Except as set forth on Disclosure Schedule 5.11, the DISTRICT is not in material default or violation, and no event has occurred that with notice or lapse of time or both would become a material default or violation of any term, condition or provision of (i) the Local Hospital District Law, (ii) the DISTRICT's bylaws or (iii) any mortgage, deed of trust, indenture, contract, agreement, lease or other instrument to which the DISTRICT is a party or by which it or any of its respective properties or assets may be bound, except for defaults and violations that either singularly or in the aggregate do not and would not reasonably be expected to have a Material Adverse Effect on the financial condition, properties, Business, results of operations or prospects of the DISTRICT or TCMC.

5.12 Marketable Title. Except as specifically set forth in the Transfer Agreement and except for any Permitted Encumbrance, the DISTRICT has good and marketable title to the Transferring Assets, and the DISTRICT has, or will have immediately prior to the Effective Time, title to all of the Transferring Assets, free and clear of all Encumbrances. Except as specifically permitted by the Transfer Agreement and except for any Permitted Encumbrance, the DISTRICT has not entered into any contract, commitment or arrangement that would cause any of the Transferring Assets to be subject to any Encumbrance that will exist or come into existence on or after the Effective Time. The DISTRICT has, and shall have immediately prior to the Effective Time, full power and authority to sell, assign, transfer, and deliver the Transferring Assets to STCMC, and such transfer will vest in STCMC good and marketable title to the Transferring Assets, free and clear of all liens and encumbrances, subject only to those permitted by the Transfer Agreement and the Permitted Encumbrances.

5.13 Environmental Matters. Except as disclosed on Disclosure Schedule 5.13, there are no third party claims and/or regulatory actions asserted or assessed or are pending or, to the DISTRICT's Knowledge, threatened against the DISTRICT, the Leased Premises, or any real property now owned or leased or previously owned or leased in the past six (6) years by the DISTRICT, whether for use in the Business of the DISTRICT or TCMC or otherwise (collectively, "Properties"), arising out of or due to: (i) the release on, under or from any of its Properties of any hazardous substances; (ii) any contamination of any of its Properties, including,

without limitation, the presence of any hazardous substance located on or under any of its Properties; (iii) any violation of any federal or state environmental Laws with respect to any of its Properties; (iv) any injury to human health and safety or to the environment by reason of the past or present condition of, or past or present activities on or under any of its Properties; or (v) the generation, manufacture, storage, treatment, handling, transportation, of any hazardous substance on any of its Properties. To the DISTRICT's Knowledge, the DISTRICT's and TCMC's storage, transportation, handling, use or disposal, if any, of hazardous substances on or under any of its Properties and/or disposal elsewhere, if any, of hazardous substances generated on or from any of its Properties are currently, and at all times have been, in compliance with all applicable federal and state environmental Laws. To the DISTRICT's Knowledge, neither the DISTRICT nor TCMC has transported or arranged for the transportation of any hazardous substances to any location which is: (i) listed on the federal Environmental Protection Agency's National Priorities List of Hazardous Waste Sites ("National Priorities List"); (ii) listed for possible inclusion on the National Priorities List, in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA") or on any similar state list; or (iii) the subject of any regulatory action which may lead to claims against the DISTRICT or TCMC for damages to natural resources, personal injury, clean-up costs or clean-up work, including, but not limited to, claims under CERCLA. To the DISTRICT's Knowledge, none of the Properties is listed in the National Priorities List or any other comparable list maintained by any Governmental Authority. To the DISTRICT's Knowledge, no part of the Properties were ever used, nor are they now being used: (a) as a landfill, dump or other disposal, storage, transfer or handling area for hazardous substances, except in the ordinary course of hospital or clinic or related healthcare operations; or (b) as a gasoline service station or a facility for selling, dispensing, storing, transferring or handling petroleum and/or petroleum products. Except as disclosed on Disclosure Schedule 5.13, to the DISTRICT's Knowledge there are no above-ground storage tanks (whether or not currently in use), or underground storage tanks, urea-formaldehyde materials, asbestos, asbestos containing materials, polychlorinated biphenyls or nuclear fuels or wastes, located on or under any of its Properties. To the DISTRICT's Knowledge, there has not been, and is not now present, any contamination of any of the Properties. Except as disclosed on Disclosure Schedule 5.13, to the DISTRICT's Knowledge, all of the Properties and DISTRICT's use and operation thereof, are currently and, at all times during any DISTRICT use and/or operation thereof, have been in compliance with all applicable environmental Laws.

5.14 Insurance. The DISTRICT has continually maintained insurance policies and bonds insuring the DISTRICT against losses relating to the DISTRICT's and TCMC's past and present operations and activities, all real and personal property owned or leased by the DISTRICT, and any acts or omissions by its and TCMC's directors, officers and employees, including without limitation, comprehensive general liability insurance, real and personal property hazard and casualty insurance, automobile liability insurance, professional liability insurance, workers' compensation insurance, employers liability insurance, employment practices liability insurance, and cyber insurance (collectively, "Insurance"). To the DISTRICT's Knowledge, no application filed for the Insurance contains any material misstatement of fact or fails to state any material fact that may adversely affect the coverage provided. To the DISTRICT's Knowledge, the DISTRICT has properly and adequately notified all insurance carriers of any and all claims known to the DISTRICT with respect to the employees, operations, properties and third party claims of the DISTRICT and TCMC, has

complied with all other material requirements and conditions of the Insurance, has not received any reservation of rights or other similar notifications from the carriers of the Insurance with respect to any claims tendered for coverage by the DISTRICT or TCMC [[regarding][primarily relating to] any potential limitation or denial of coverage], and has not received any notice of cancellation or nonrenewal of any Insurance prior to or as of the Effective Time.

5.15 Material Contracts. Except as set forth on Disclosure Schedule 5.15, the DISTRICT is not a party to or bound by, nor are TCMC or any of the DISTRICT's or TCMC-related properties subject to, any of the following contracts (each, a "Material Contract"):

5.15.1 Contract for the employment of any officer, employee or consultant or contract with a former officer, employee or consultant pursuant to which the DISTRICT may be required to make annual payments that exceed Two Hundred and Fifty Thousand Dollars (\$250,000);

5.15.2 Mortgage, deed of trust, indenture, note or installment obligation, or other instrument for or relating to the borrowing of money by the DISTRICT pursuant to which the DISTRICT may be required to make annual payments that exceed Two Hundred and Fifty Thousand Dollars (\$250,000);

5.15.3 Guarantee of any obligation for borrowing or otherwise by the DISTRICT, excluding endorsements made for collection in the ordinary course of business, where the obligation guaranteed exceeds Five Hundred Thousand Dollars (\$500,000);

5.15.4 Agreement or arrangement for (i) the sale or lease of any of the DISTRICT's or TCMC's assets or portions of its Business having a fair market value in excess of One Million Dollars (\$1,000,000) other than in the ordinary course of its business, or (ii) the grant of any preferential rights to purchase or lease any of such assets or portions of its Business having a fair market value in excess of One Million Dollars (\$1,000,000), or (iii) the DISTRICT or TCMC is required or obligated to make annual payments in excess of Two Hundred and Fifty Thousand Dollars (\$250,000) in connection with or with respect to any partnership, joint venture, limited liability company, or other similar agreement or arrangement;

5.15.5 Contracts pursuant to which the DISTRICT or TCMC is or may be obligated to make payments, contingent or otherwise, in excess of Five Hundred Thousand Dollars (\$500,000) and arising out of the prior acquisition of real or personal property or of all or part of the stock or ownership interests, business or assets of any other persons or entities;

5.15.6 Lease of real property or personal property of any kind or nature (including any capital leases) or similar arrangement (a) where the DISTRICT or TCMC is the lessor or (b) for the use by DISTRICT or TCMC of personal property pursuant to which the DISTRICT or TCMC may be required to make annual payments that exceed Two Hundred and Fifty Thousand Dollars (\$250,000); or

5.15.7 Any other written contract, agreement or other instrument that is material to the Business of the DISTRICT or TCMC.

The DISTRICT has provided full and complete copies of all Material Contracts to the SHARP Parties. To the DISTRICT's Knowledge, the Material Contracts are valid, legally binding and enforceable as to the DISTRICT and as to the other parties thereto in accordance with their respective terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws of general application affecting enforcement of creditors' rights, and as limited by general principles of equity that restrict the availability of equitable remedies. Except as described on Disclosure Schedule 5.15, to the DISTRICT's Knowledge, the DISTRICT and each other party thereto has performed all obligations required to be performed by it and is not in default under or in breach of, or in receipt of any notice or claim of default or breach under, any Material Contract. Except as described on Disclosure Schedule 5.15, to the DISTRICT's Knowledge, there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute a default by the DISTRICT or by any of the other parties to such Material Contracts. Except as described on Disclosure Schedule 5.15, the DISTRICT has not received written notice that any party to any Material Contract intends to cancel, terminate, or not renew any such Material Contract.

5.16 Labor Relations. Except as set forth on Disclosure Schedule 5.16:

5.16.1 The DISTRICT has paid or made provision for the payment for all salaries and wages accrued through the date of this Agreement and has complied in all material respects with all applicable Laws relating to the employment of labor, including those relating to wages, hours, collective bargaining, discrimination, harassment, retaliation, occupational safety and health, and immigration and the payment and withholding of all employment and other taxes, and has withheld and paid to the appropriate Governmental Authority, or is holding for payment not yet due to such authority, all amounts required by Law or agreement to be withheld from the wages or salaries of its employees.

5.16.2 There are no pending or, to the DISTRICT's Knowledge, threatened labor strikes, work stoppages, slowdowns, picketing, lockouts, union organizing campaigns, or other labor disputes involving the DISTRICT's employees or any employees whose services support TCMC.

5.16.3 The DISTRICT is not a party to, nor bound by, any collective bargaining agreement or similar labor agreement.

5.16.4 No labor union or other employee representative is currently certified or recognized as the exclusive bargaining representative of any of the DISTRICT's employees (or any employees whose services support TCMC).

5.16.5 No petition has been filed or proceedings instituted by or on behalf of any labor organization seeking recognition of a bargaining unit.

5.16.6 There are no pending or, to DISTRICT's Knowledge, threatened claims, charges, grievances, complaints, audits, litigation, or investigations against the DISTRICT by any employee, former employee, labor organization, or Governmental Authority relating to employment practices, including, but not limited to, alleged wage and hour violations, wrongful termination, disability, racial, gender or other forms of discrimination, harassment, or retaliation,

including, without limitation, actions initiated under the California Private Attorney General Act and similar actions.

5.16.7 The DISTRICT has not taken any action in the past three (3) years that would trigger notice obligations under the federal Worker Adjustment and Retraining Notification Act (WARN) or under any similar state Law.

5.16.8 To the DISTRICT's Knowledge, the DISTRICT has properly classified all individuals who perform services for the DISTRICT and TCMC as employees or independent contractors in accordance with applicable Laws and has no liability arising from any misclassification.

5.17 Benefit Plans. All employee benefit plans currently sponsored or maintained by DISTRICT (the "Benefit Plans") are listed on Disclosure Schedule 5.17. The DISTRICT does not, as of the Effective Date, and will not, as of the Closing Date, sponsor or maintain retirement benefit plans subject to ERISA. To DISTRICT's Knowledge, the DISTRICT is in material compliance with the terms of, and applicable Law with respect to, such Benefit Plans, and has sponsored and maintained its Benefit Plans in material compliance with such terms and applicable Law, including without limitation, with respect to the making of contributions and reporting obligations. The DISTRICT has not withdrawn from any benefit plans with any material outstanding liability that has not been settled or paid. There are no pending or, to the DISTRICT's Knowledge, threatened claims (other than routine claims for benefits) or audits involving any Benefit Plan. The DISTRICT is not aware of any facts that would reasonably be expected to result in DISTRICT liability under applicable Law with respect to the Benefit Plans.

5.18 Intellectual Property.

5.18.1 Disclosure Schedule 5.18.1(a) sets forth a true, correct and complete list of all patents and patent applications, registered trademarks and applications to register any trademarks, registered copyrights and applications for registration of copyrights, domain names and social media accounts, and material unregistered trademarks, in each case, owned by the DISTRICT or TCMC and used or held for use in its Business as presently conducted (the "Intellectual Property"). The DISTRICT also has made available to SHARP a complete list of (i) all software, other than any widely-available, commercial off-the-shelf software (including the identity of the owner of all such software and of the developer or provider from whom such software was obtained), and (ii) material contracts that cover Intellectual Property owned by a third party that is used or held for use in the Business of the DISTRICT or TCMC. Disclosure Schedule 5.18.1(b) to this Agreement sets forth a correct and complete listing of all contracts that cover Intellectual Property owned by the DISTRICT that is licensed to any person or entity.

5.18.2 Except as set forth on Disclosure Schedule 5.18.2 to this Agreement, all Intellectual Property that the DISTRICT has used or held for use during the prior three (3) years, or, is currently using, or is holding for use, in the conduct of its or TCMC's Business is exclusively owned by the DISTRICT free and of any encumbrance or has been licensed to the DISTRICT by a third party under a valid and enforceable contract. The DISTRICT has complied in all material respects with all internet domain name registration and other clear requirements of internet domain administration authorities concerning all domain names that are DISTRICT

Intellectual Property and operated all websites associated with such domain names in accordance with all applicable Laws in all material respects. The DISTRICT owns, has sufficient rights to display or make available all content, data, and other information displayed or made available, as applicable, on all websites associated with any domain name included in DISTRICT Intellectual Property.

5.18.3 To the DISTRICT's Knowledge, all DISTRICT owned Intellectual Property is subsisting, valid, enforceable and in full force and effect. To the DISTRICT's Knowledge, there are no royalties, fees, honoraria or other payments payable by the DISTRICT to any person or entity by reason of the ownership, development, modification, use, license, sublicense, sale, distribution or other disposition of DISTRICT owned Intellectual Property, other than, if applicable, salaries and sales commissions paid to employees and sales agents, and customary license fees charged by third party licensors in the ordinary course of business. The DISTRICT has the exclusive, unrestricted right to sue for past, present, and future infringement of such Intellectual Property that is owned by the DISTRICT.

5.18.4 During the prior three (3) years, neither the DISTRICT nor TCMC has received any written claim that the conduct of its Business or the DISTRICT's Intellectual Property (or use of it), as applicable, has infringed upon, misappropriated or violated, or is infringing, misappropriating or violating, any Intellectual Property of any other person or entity. Further, to the DISTRICT's Knowledge, no third party has infringed, misappropriated or otherwise violated or is infringing, misappropriating or otherwise violating any Intellectual Property owned by the DISTRICT or TCMC, and no such claim is pending or, to the DISTRICT's Knowledge, threatened against any person or entity by the DISTRICT.

5.19 Brokers or Finders. Except as set forth on Disclosure Schedule 5.19, no person, broker or finder is entitled to any brokerage or finder's fee, other commission, fee or similar compensation in connection with the transactions contemplated by this Agreement based on any contract or arrangement made by or on behalf of the DISTRICT or TCMC.

5.20 Hospital Survey. TCMC was most recently surveyed by the Joint Commission in April 2025 and received accreditation for a three-year period that expires in April 2028. TCMC's Joint Commission accreditation is valid and in full force and effect and is not impaired in any manner. In addition, the California Department of Public Health last surveyed TCMC in January 2020 and the hospital license, as well as all other licenses or approvals issued with respect to TCMC by the California Department of Public Health, are in good standing, or, in the event a statement of deficiencies was issued with respect to such license(s), all such deficiencies have been corrected and accepted by the California Department of Public Health.

5.21 Budgets and Master Plan.

5.21.1 The DISTRICT has made available to the SHARP Parties the DISTRICT's capital and operating budgets for the current fiscal year with reasonable detail including, without limitation, details regarding equipment, capital improvements, and other operational budget-related matters and anticipated expenditures developed and maintained by the DISTRICT and relating to TCMC.

5.21.2 The DISTRICT has delivered to the SHARP Parties the DISTRICT's full and complete copies of the DISTRICT's most current (i.e., most recently adopted and approved) master plan for the development of TCMC, its campus and other adjoining properties owned by the DISTRICT and leased to STCMC.

5.22 JV Companies. To the DISTRICT's Knowledge, each JV Company (i) is and has operated (since the earlier of its formation or the past six (6) years) in material compliance with all applicable Laws, including, without limitation, all corporate, tax, and environmental Laws, Healthcare Laws, and all regulatory requirements; (ii) has been duly organized and is validly existing under the laws of its jurisdiction of formation; (iii) is not in material breach of, or default under, any of its governing documents or material contracts; (iv) is in good standing with any and all Government Programs with which it contracts or otherwise participates and has not been terminated or excluded from, or threatened with termination or exclusion from any such Government Programs or from any Private Programs, and (v) is not subject to or the target of any pending or threatened claims, litigation, investigations, or proceedings against that would reasonably be expected to have a Material Adverse Effect on its Business.

5.23 Material Adverse Effect. To the DISTRICT's Knowledge, since June 30, 2025, there are not any circumstances creating or that would be reasonably expected to create any Material Adverse Effect on or with respect to the DISTRICT or the Business of TCMC. As used in this Agreement, "Material Adverse Effect" means any event, circumstance, change, occurrence or development, that, individually or in the aggregate with other events, circumstances, changes, occurrences or developments, has had, or is reasonably likely to have, a materially negative impact or adverse effect on (i) the DISTRICT's ability to consummate the transactions contemplated by the Affiliation Agreements or perform its obligations under the Affiliation Agreements, or (ii) the Business of the DISTRICT or TCMC, each taken as whole, including with respect to operations, Properties, prospects, assets, results, liabilities or condition (financial or otherwise), other than to the extent resulting from events, circumstances, changes, occurrences or developments (a) relating to the United States and world economy in general or the health care industry (including the regulatory environment and decisions related thereto) in which the DISTRICT or TCMC operate in general, (b) affecting or relating to tax rates or the implementation of new taxes, capital or financial markets generally, or (c) arising as a result of enactment or implementation of any new Law or accounting rule, including the enactment or implementation of any change in payment or reimbursement from Government Programs.

Real Estate. [*Representations and warranties related to DISTRICT real property to be added, if necessary.*]

ARTICLE 6

PRE-CLOSING COVENANTS

6.1 Covenants related to Compliance with District Law. The SHARP Parties and the DISTRICT covenant and agree as follows:

6.1.1 Public Meetings. The DISTRICT shall, prior to the Agreement Date, comply with Section 32121(p)(2)(A)(i) of the California Health & Safety Code by holding at

least five (5) properly noticed open and public meetings in accordance with the Ralph M. Brown Act to discuss this Affiliation Agreement and all arrangements necessary hereto.

6.1.2 Ballot Measure. The DISTRICT shall, prior to the Closing Date, by resolution, submit a measure to the voters of the DISTRICT proposing approval of the transactions, leases and transfers contemplated by the Affiliation Agreements in accordance with Section 32121(p)(2)(D) of the California Health & Safety Code.

6.1.3 Approval of STCMC Board Members. The SHARP Parties grant to the DISTRICT the right to approve, and as of the Closing Date the DISTRICT shall have approved, all initial members of the STCMC Board in accordance with Section 32121(p)(2)(A)(ii) of the California Health & Safety Code.

6.2 SHARP Party Covenants. The SHARP Parties covenant that from the Agreement Date until the Effective Time they are bound by the obligations stated in this Section 6.2, except as specifically permitted by this Affiliation Agreement or otherwise consented to in writing by the DISTRICT.

6.2.1 Consents of Third Parties. The SHARP Parties shall use commercially reasonable efforts to obtain third party consents required under the Assumed Contracts and the Assumed Leases to effectuate assignment of such Assumed Contracts and the Assumed Leases to STCMC as of the Effective Time. The DISTRICT shall use all commercially reasonable efforts to cooperate with the SHARP Parties (including, without limitation, promptly responding to and forwarding communications related to such consents and communicating with the SHARP Parties' representatives) and to help facilitate the SHARP Parties' obtaining such consents and facilitating such assignment prior to Closing. Promptly following the execution of this Agreement, the DISTRICT shall introduce SHARP to each landlord who leases the DISTRICT real property pursuant to an Assumed Lease (each, an "Existing Landlord") via email for the purpose of obtaining its written consent to the assignment of such Assumed Lease and allowing the SHARP Parties to conduct diligence with respect to the applicable Assumed Lease. Additionally, the DISTRICT shall reasonably cooperate with the SHARP Parties in requesting a commercially reasonable estoppel certificate from each Existing Landlord as to each Assumed Lease (each, an "Estoppel Certificate"). Notwithstanding the foregoing, the SHARP Parties shall not be obligated to (i) pay any fee or other consideration to any third party to obtain consent with respect to such Assumed Contract or Assumed Lease, (ii) agree to any material modification of the terms of any Assumed Contract or Assumed Lease, or (iii) initiate or participate in any litigation or arbitration to obtain such consent. If any required consent is not obtained prior to Closing, the DISTRICT shall, at the SHARP Parties' request and expense, use commercially reasonable efforts to facilitate the SHARP Parties receiving continued benefit under such Assumed Contract or Assumed Lease through alternative arrangements (including subcontracting, sublicensing, or other means), until such consent is obtained or the contract is terminated. In addition, the SHARP Parties shall use commercially reasonable efforts to facilitate the issuance and receipt of any and all Governmental Authority approvals required for the consummation of the transactions contemplated hereby.

6.2.2 Satisfaction of Conditions. The SHARP Parties shall use their commercially reasonable efforts to cause the conditions precedent to the consummation of the transactions contemplated by this Agreement to be satisfied.

6.2.3 Employment and Labor Relations.

6.2.3.1 STCMC will offer employment to all employees employed by the DISTRICT with respect to the Business as of the Effective Time ("Eligible Employees"). STCMC's offers of employment to such Eligible Employees shall be subject to each such Eligible Employee's timely completion of employment applications, satisfaction of employment on-boarding processes and requirements with respect to background checks, excluded provider checks, and other standard processes and procedures for employees of STCMC and its Affiliates, and acceptance of employment. All Eligible Employees who are offered employment pursuant to, and who satisfy the requirements of this Section 6.2.3.1, shall be hired by STCMC as of the latter of the Effective Date or the date of such Employee's acceptance of such employment, and shall be hereinafter referred to herein as "Hired Employees." The SHARP Parties shall be solely responsible for determining whether any Eligible Employee meet the SHARP Parties' onboarding requirements.

6.2.3.2 The DISTRICT shall cooperate with the SHARP Parties and shall release all information to the SHARP Parties concerning DISTRICT's employment of any Eligible Employee who applies for employment with STCMC, including, but not limited to, information regarding qualifications, work history with DISTRICT, relevant licensure or certification, immunization or required health status, background and Government Program exclusion checks, verification of employment eligibility, and execution of standard employment documentation, immigration status, pending discipline or corrective action, or unusual limitations on the scope of clinical privileges for any Eligible Employee who is a health professional, subject to the receipt by the SHARP Parties of the written consent obtained by DISTRICT from an Eligible Employee to the release of information when required under applicable Laws.

6.2.3.3 Compensation offered to Hired Employees by STCMC shall be in accordance with the DISTRICT's compensation rates and corresponding pay scales existing for such Hired Employees as of the Closing Date, subject to compliance with the healthcare minimum wage legal requirements [and applicable collective bargaining agreements]. No later than two years after the Effective Time, Hired Employees who remain employed by STCMC will transition to compensation rates and corresponding pay scales comparable to the compensation rates and corresponding pay scales of other SHARP Affiliate employees in similar positions (based on their respective job descriptions) and years of experience, and subject to the terms and conditions of any then-existing collective bargaining agreements.

6.2.3.4 STCMC will calculate and grant Hired Employees years of service credit for seniority and employee benefits purposes based on the number of years of services assigned by the DISTRICT for each such Hired Employee immediately prior to the Effective Time as defined by the DISTRICT's policies/procedures and years of service calculations then-in effect.

6.2.3.5 As of the Effective Time, STCMC's policies/procedures will provide that Hired Employees may accrue paid-time-off ("PTO") hours up to a maximum level of 450 hours. The Parties acknowledge that the DISTRICT's current policies/procedures allow employees to accrue PTO hours at a maximum hour level higher than 450 hours. As of their date of hire, Hired Employees (other than those Hired Employees with positions of Vice Presidents and above) will roll over, and STCMC will recognize, any PTO hours accrued while employed by the DISTRICT up to a maximum of 450 PTO hours. The value of any Hired Employee's accrued PTO hours in excess of 450 hours will be paid out to such Hired Employees by the DISTRICT on the Closing Date. As part of the Eligible Employees' on-boarding process, Eligible Employees will be requested to provide written consent for the rollover of their PTO hours to STCMC. On the Closing Date, the value of all accrued PTO hours of those Hired Employees who hold positions of Vice President or above will be paid by the DISTRICT to such Hired Employees and such Hired Employees will become subject to the then existing PTO policy for STCMC employees holding positions of Vice President and above.

6.2.3.6 As of their date of hire, STCMC shall recognize and grant each Hired Employee ELB/ALB hours consistent with any extended sick leave hours accrued by such Hired Employees as of the Closing Date in accordance with the DISTRICT's policies and procedures.

6.2.3.7 As of or prior to the Closing Date, STCMC will (a) recognize the DISTRICT's then-existing labor unions representing the bargaining units of those unionized Eligible Employees who will be offered employment by STCMC, and (b) bargain in good faith with the labor unions concerning the terms and conditions of employment under the applicable collective bargaining agreements covering such Eligible Employees.

6.2.3.8 DISTRICT will terminate the employment of all Eligible Employees immediately prior to the Effective Time. DISTRICT shall be responsible for any obligations to or in respect of the Eligible Employees and Hired Employees arising from their employment or termination of employment by DISTRICT as required by this Section 6.2.3 and under applicable Laws, including with respect to required payments for accrued benefits, including accrued paid time off in accordance with Section 6.2.3.5. The SHARP Parties shall not be responsible for, and shall not be obligated to pay, any obligation, liability, promise or payment of any kind due from the DISTRICT to or on behalf of any Eligible Employee or Hired Employee. Nothing in this Agreement shall be construed to obligate the SHARP Parties to assume or accept assignment of any personal employment contract or any other agreement arising from or relating to employment of an Eligible Employee by the DISTRICT.

6.2.3.9 The termination of the Eligible Employees as of or prior to the Effective Time may be construed as a "plant closing" or "mass layoff," or may result in any Eligible Employee retained or employed by the DISTRICT suffering an "employment loss," as those terms are defined in WARN or a "mass layoff," "termination," "relocation" or "separation from a position", as those terms are defined by the Cal-WARN Act (collectively the "WARN Events"), and may require notices of such WARN Events to be given to the Eligible Employees. If determined to be required, DISTRICT shall issue all notices required by WARN or the Cal-WARN Act not less than sixty (60) days prior to the Closing Date. If determined that notices are required, DISTRICT shall make any payments that may be required under WARN or the Cal-

WARN Act as a result of the failure to provide such notices at least sixty (60) days in advance of a WARN Event.

6.2.3.10 The SHARP Parties shall not make any offer or promise of employment or other compensation to any DISTRICT public official or employee involved in the making of this Agreement prior to the Effective Time and shall have no obligation to employ or otherwise compensate any DISTRICT public official or employee involved in the making of this Agreement either before or after the Effective Time.

6.2.3.11 Nothing in this Agreement shall be construed to create any obligation on the part of the SHARP Parties to continue the employment of any Hired Employee for any specific period following the Effective Time, and all such employment shall be “at will” unless otherwise required by applicable Law or agreed in writing. Following the Effective Time, the SHARP Parties, in their sole discretion, shall determine the number, classifications, job qualifications, and all terms and conditions of employment of the employees staffing TCMC and the Business transferred to the SHARP Parties following the Effective Time. Nothing in this Agreement shall be construed to preclude the SHARP Parties from determining the conditions under which it may operate TCMC, the Business or manage the staff it employs at TCMC, with respect to the Business.

6.3 Benefit Plan Transition.

6.3.1 STCMC will use commercially reasonable efforts to assume the DISTRICT’s contracts for the DISTRICT’s health/medical, dental, vision and other similar employee benefit programs in place as of the Closing Date with the then current providers thereof. To the extent such contracts are assumed by STCMC, as of their date of hire, Hired Employees will receive employee benefits and coverage under such employee benefit programs pursuant to such assumed contracts. Employees who remain employed with Sharp by STCMC will transition Sharp’s employee benefit programs (e.g., health/medical, dental, vision, etc.) no later than January 1, 2028.

6.3.2 The DISTRICT shall take any and all actions necessary and required to cease and “freeze” as of the Closing Date its then existing employee retirement plans (i.e., the NSRP, MPP and Section 457(b) plan), which the Parties acknowledge are non-ERISA “government” plans that may only be sponsored by governmental entities. Not more than six (6) months after the Closing Date, STCMC will offer one or more qualified retirement plans in which the Hired Employees will be eligible to participate

6.3.3 The DISTRICT shall cooperate with the SHARP Parties to facilitate the transition, including providing all employee data, plan documentation, and historical benefit information necessary to facilitate and effectuate the obligations and objectives of this Section 6.3. SHARP shall not assume any liability for benefits accrued under any DISTRICT benefit program, plan, policy or procedure, except as expressly provided in this Agreement.

6.4 DISTRICT Covenants. The DISTRICT covenants that, from the date of this Affiliation Agreement until the Closing it is bound by the obligations stated in this Section 6.4,

except as specifically permitted by this Affiliation Agreement or otherwise consented to in writing by the SHARP Parties.

6.4.1 Access to Properties and Information. The DISTRICT shall grant, and SHARP and its officers, employees, counsel, accountants, and other representatives shall have access during normal business hours and upon reasonable prior notice to all properties, books, accounts, records, contracts, and documents of or relating to the DISTRICT and TCMC's Business. The DISTRICT shall furnish or cause to be furnished to the SHARP Parties and their representatives all data and information concerning the Business, finances, and properties of the DISTRICT, TCMC, the Transferring Assets and the JV Companies that may reasonably be requested.

6.4.2 Conduct of Business in Normal Course. The DISTRICT shall use commercially reasonable efforts to continue the DISTRICT's and TCMC's normal Business and operations in the ordinary course of business, except for those operations outside of the ordinary course of business previously approved by the SHARP Parties, if any. The DISTRICT shall use commercially reasonable efforts to preserve intact the DISTRICT's and TCMC's present Business organization, keep available the services of the DISTRICT's and TCMC's present directors, officers and employees, and preserve the DISTRICT's and TCMC's relationship with patients, physicians, third-party payors and health plans, suppliers, customers and others having business dealings with them to the end that DISTRICT's and TCMC's goodwill and going Business shall be unimpaired and materially unchanged as of the Closing Date. The DISTRICT shall not make or institute any unusual or novel methods of patient care, purchase, sale, lease, management, accounting, or operation that will vary materially from those methods used by the DISTRICT as of the Agreement Date unless otherwise required to do so by applicable Laws. The DISTRICT shall use commercially reasonable efforts to continue to comply with, pay and satisfy its obligations with respect to its debts, contractual and other obligations in the ordinary course.

6.4.3 Prompt Notice. The DISTRICT shall give prompt notice to the SHARP Parties of the occurrence or non-occurrence of any event, act or omission or the discovery of any information that would be likely to cause any representation or warranty contained in this Agreement, the DISTRICT's Financial Statements or any attached Disclosure Schedules or Exhibits hereto to be materially untrue or materially inaccurate when made, or at any other time on or before the Closing Date, and any material failure of the DISTRICT to comply with or satisfy any covenant, or condition or this Agreement.

6.4.4 Maintenance of Insurance. The DISTRICT shall continue to maintain all of its existing insurance, and shall not eliminate or reduce such existing insurance coverage without the prior written consent of the SHARP Parties.

6.4.5 Consents of Third Parties. The DISTRICT shall use its commercially reasonable efforts to satisfy those obligations related to obtaining third party consents and facilitating the assignment of Assumed Contracts and Assumed Leases as set forth in Section 6.2.1. The DISTRICT shall use commercially reasonable efforts to cooperate with the SHARP Parties in obtaining any required third party and Governmental Authority approvals or authorizations in connection with the Affiliation.

6.4.6 Satisfaction of Conditions. The DISTRICT shall take all steps reasonably necessary to cause the conditions precedent to the consummation of the transactions contemplated by this Agreement to be satisfied.

6.4.7 Delivery of Financials. Commencing as of the Agreement Date and prior to the Closing, and not less than on a fiscal-year quarterly basis, the DISTRICT shall provide the SHARP Parties with updated unaudited quarterly financial statements certified by the DISTRICT's Chief Financial Officer, including a comparison of the DISTRICT's and TCMC's actual financial performance against the DISTRICT's last quarterly financial statements, against the DISTRICT's budget for the then current fiscal year, and against quarterly period in the DISTRICT's then most recent audited financial statements. In addition, if prepared and available prior to the Closing Date, the DISTRICT shall provide the SHARP Parties with a copy of its audited financial statements for any fiscal year ending prior to the Closing.

6.4.8 Pre-Closing Transition and Integration Planning. Prior to the Closing, the Parties shall cooperate in good faith, and the DISTRICT shall use its commercially reasonable best efforts to assist the SHARP Parties, with respect to the transition and integration of the TCMC-related Business as of and after the Effective Time, including cooperation with respect to operational continuity, employee onboarding, systems integration, patient care coordination, and post-Closing budgeting. Notwithstanding the foregoing, the Parties acknowledge and agree that all such cooperation shall be conducted in a manner that complies with all applicable Laws including antitrust and competition Laws.

6.4.9 Phone System Transition. Prior to the Closing, the DISTRICT shall use commercially reasonable efforts to upgrade the telephone system used by TCMC and with respect to its Business to a [modern, cloud-based or VoIP-enabled system that meets current industry standards for reliability, scalability, and security]. The upgraded telephone system shall include replacement of outdated hardware, installation of necessary software, and configuration of call routing, voicemail, and conferencing features. The SHARP Parties shall, to the extent permissible by Law, be consulted and shall have the right to [comment on/approve] the upgraded system.

6.4.10 Valuations. The District has obtained a valuation of fair market value of the Transferring Assets as of [] in accordance with Section 32121(p)(2)(A)(vi) of the California Health & Safety Code.

6.4.11 DISTRICT Negative Covenants. The DISTRICT shall not undertake or permit with respect to itself or TCMC any of the following acts or events from the Agreement Date until the Effective Time without the prior written consent of the SHARP Parties:

6.4.11.1 Any amendment or modification of its bylaws, the Medical Staff Bylaws, or other governance documents, except as required by applicable Law;

6.4.11.2 Any increase in salaries, bonuses, incentive compensation payable or to become payable by the DISTRICT or TCMC to any director, officer or employee, other than in the ordinary course of business or as required under any collective bargaining agreement to which the DISTRICT is a party;

6.4.11.3 Any increase in benefits provided or payable to any officer or employee under any bonus, employee benefit plan, pension, retirement or similar deferred compensation plan or other contract or commitment, other than in the ordinary course of business or as required under any collective bargaining agreement to which the DISTRICT is a party;

6.4.11.4 Any new contract, commitment, or transaction not in the ordinary course of business requiring total payments by the DISTRICT in excess of [Two Hundred and Fifty Thousand Dollars (\$250,000)] and not terminable by DISTRICT without cause or penalty upon less than ninety (90) days' prior notice;

6.4.11.5 The sale, transfer, lease, mortgage, pledge, or other disposal or encumbrance of any material Transferring Assets, except in the ordinary course of business.

6.4.11.6 Any borrowings which in the aggregate exceeds [Five Million Dollars (\$5,000,000)].

6.4.11.7 Any unbudgeted capital expenditure or expenditures in excess of [One Million Dollars (\$1,000,000)] in the aggregate, except as required by applicable Law;

6.4.11.8 Any lease of capital equipment or property under which the annual lease payment is in excess of [Two Hundred and Fifty Thousand Dollars (\$250,000)];

6.4.11.9 Any commencement, termination or substantial modification of any significant clinical program or service;

6.4.11.10 Any action that ultimately requires an application under 22 California Code of Regulations 70105, which requires prior approval under 22 California Code Regulations Section 70301, or that requires a special permit under 22 California Regulations Code Section 70351.

6.4.11.11 Failure to timely pay and discharge all or any portion of federal, state, county, local and foreign taxes for which it is liable.

6.4.11.12 Cancel any debt or claims or waive any right with a value in excess of [Fifty Thousand Dollars (\$50,000)], except in the ordinary course of business.

6.4.11.13 Incur or permit to be entered against the DISTRICT or TCMC any default judgment or permit any unsatisfied judgment to remain unsatisfied.

ARTICLE 7

CONDITIONS TO OBLIGATIONS OF SHARP

The obligation of the SHARP Parties to consummate the Affiliation is subject to the fulfillment of each of the following conditions, any or all of which may be waived either in whole or in part by the SHARP Parties to the extent permitted by applicable Law:

7.1 Transfer Documents. The DISTRICT shall have executed and delivered each of the Transfer Documents to the SHARP Parties.

7.2 Amended Foundation Articles. DISTRICT shall have delivered a certified copy of the Amended Foundation Articles filed with the California Secretary of State to the SHARP Parties.

7.3 Amended Foundation Bylaws. DISTRICT shall have delivered an executed, adopted, and approved copy of the Amended Foundation Bylaws to the SHARP Parties.

7.4 No Material Pre-Closing Disclosures. Between the date of this Agreement and the Effective Time, the DISTRICT shall not have disclosed, and the SHARP Parties shall not have otherwise become aware of, any liability that: (a) was required to be disclosed on the Disclosure Schedules and was not disclosed on the Disclosure Schedules delivered as of the Agreement Date; (b) relates to liabilities or potential liabilities as a result of the DISTRICT's or TCMC's alleged or potential violation of Laws, including, without limitation, Healthcare Laws; (c) would reasonably be expected to result in any exclusion from Government Programs or a liability, penalty, loss or adverse effect on the DISTRICT's or TCMC's Business in excess of Twenty Five Million Dollars (\$25,000,000) in the aggregate; and (d) is not cured or resolved to the SHARP Parties' reasonable satisfaction within ninety (90) days following written notice from the DISTRICT to the SHARP Parties describing such disclosure or liability in reasonable detail (the "Cure Period"). If any such disclosure or liability is not cured within the Cure Period, the SHARP Parties shall have the right, in their sole discretion, to (i) terminate this Agreement without liability, or (ii) delay the Closing for a reasonable period to further assess and address the impact of such disclosure or liability.

7.5 Certified Copies of the DISTRICT Board Resolutions. The DISTRICT shall furnish SHARP with (i) copies of resolutions duly adopted by the DISTRICT Board approving the execution and delivery of the Affiliation Agreements, the members of the initial STCMC Board, and all other necessary or proper actions to enable the DISTRICT to comply with the terms of the Affiliation Agreements and applicable Laws and (ii) copies of resolutions duly adopted by the board of directors of the TCMC Foundation approving and adopting the Amended Foundation Governance Documents. Each such resolution shall be certified by the Secretary or Assistant Secretary of the DISTRICT or the TCMC Foundation, as applicable.

7.6 Representations; Warranties. The representations and warranties of the DISTRICT contained in this Affiliation Agreement (as modified by any pre-Closing disclosures in accordance with Section 7.4 hereof) shall be true and correct in all material respects at the date of this Affiliation Agreement and immediately prior to the Effective Time, except for

representations and warranties specifically relating to a time or times other than the date of this Affiliation Agreement, which shall be true and correct in all material respects at such time or times, and except for changes permitted by this Affiliation Agreement, with the same force and effect as if made prior to the Effective Time.

7.7 Agreements; Covenants. The DISTRICT shall have performed and satisfied in all material respects all covenants and conditions required by this Agreement to be performed or satisfied by the DISTRICT at or prior to the Closing.

7.8 Certification of Financials. The DISTRICT shall have delivered to the SHARP Parties a certificate dated as of the Closing Date, and signed by the Chief Financial officer of the DISTRICT, certifying that nothing has come to such officer's attention which would give such officer reason to believe that the unaudited financial statements delivered under this Affiliation Agreement by the DISTRICT have not been prepared in substantial accordance with the accounting principles and methods required by the Governmental Accounting Standards Board applied on a consistent basis, subject to usual and customary year-end adjustments.

7.9 Licenses, Authorizations and Consents of Agencies. The SHARP Parties shall have acquired (or received reasonable assurance from Governmental Authorities that they will receive in a timely manner) those licenses and permits identified on Exhibit 7.9.

7.10 Material Consents. The consents listed on Exhibit 7.10 shall have been obtained.

7.11 Litigation. On the Closing Date there shall be no effective injunction, writ or preliminary restraining order or other order of any nature issued by a Governmental Authority directing that any of the transactions provided for in this Affiliation Agreement not be consummated as provided in this Affiliation Agreement, and immediately prior to the Effective Time no proceeding or lawsuit shall have been commenced or be pending or be threatened by any Governmental Authority or any other person with respect to the transactions contemplated by this Affiliation Agreement, which either the SHARP Parties, in good faith and with the advice of counsel, believes would prevent or materially delay the consummation of this Affiliation Agreement.

7.12 Certain Debt related conditions. *[Closing condition related to the transfer, assumption or recontracting with respect to certain DISTRICT debt obligations (e.g., HUD loan) to be added, if necessary.]*

7.13 Legislation. No action shall have been taken and no Law, rule, regulation, order, judgment, preliminary or permanent injunction, or decree shall have been proposed, promulgated, enacted, entered, enforced or deemed applicable to the transactions contemplated by this Affiliation Agreement by any Governmental Authority or by any court or other tribunal which the SHARP Parties or the DISTRICT, in good faith and with the advice of counsel, believes: (a) prohibits, restricts, delays or makes unlawful the consummation of the transactions contemplated by this Affiliation Agreement or the satisfaction of any of the conditions to the consummation of such transactions or otherwise impairs the material, contemplated economic benefits to the parties of such transactions; (b) requires the divestiture by any party or any of their respective subsidiaries of all or any portion of their businesses, assets or properties or

imposes any limitation on the ability of any of them to conduct their businesses and own such assets and properties; (c) imposes any limitations on the ability of the DISTRICT or the SHARP Parties to exercise effectively all rights of membership, ownership, and control of their businesses and operations; or (d) otherwise adversely affects the Parties.

7.15 Real Estate Title. Title Company shall have committed to the SHARP Parties' reasonable satisfaction to issue STCMC ALTA owner's title insurance policies in a form and in amount reasonably satisfactory to the SHARP Parties (the "Title Policies"), dated as of the Closing Date, insuring the leasehold title of STCMC to each of the Leased Premises, provided Sharp or STCMC has timely provided the Title Company with all of the required documentation and information necessary for Title Company to issue the Title Policies at such Closing, it being acknowledged by the SHARP Parties that this Section 7.15 shall be deemed satisfied if Title Company's failure to irrevocably commit to issue the Title Policies at such Closing is the result of Sharp's or STCMC's or any of their employee's or agent's direct or indirect acts or omissions, including, without limitation, Sharp's or STCMC's failure to obtain a new survey if such survey is required by Title Company.

7.16 OHCA. OHCA shall have either (a) issued a written determination that it will not conduct a CMIR with respect to the transactions contemplated in the Affiliation Agreements, as described in Section 97440(a) of Title 22 of the California Code of Regulations or (b) if OHCA elects to conduct a CMIR with respect to the transactions contemplated in the Affiliation Agreements, OHCA shall have issued a final report of findings, as described in Section 97442(d) of Title 22 of the California Code of Regulations, and the sixty (60) day period from the date of the issuance of the final report of findings has lapsed.

ARTICLE 8

CONDITIONS TO OBLIGATIONS OF THE DISTRICT

The obligations of the DISTRICT to consummate the Affiliation are subject to the fulfillment of each of the following conditions, any or all of which may be waived either in whole or in part by the DISTRICT to the extent permitted by applicable Law:

8.1 Transfer Documents. STCMC shall have executed and delivered each of the Transfer Documents to the DISTRICT.

8.2 Amended STCMC Articles. The SHARP Parties shall have delivered a certified copy of the Amended STCMC Articles filed with the California Secretary of State to the DISTRICT.

8.3 Amended STCMC Bylaws. The SHARP Parties shall have delivered an adopted, approved and certified copy of the Amended STCMC Bylaws to the DISTRICT.

8.4 Amended SHARP Bylaws. SHARP shall have delivered an adopted, approved and certified copy of the amended Bylaws of SHARP to the DISTRICT that reflects the addition of a provision for the STCMC Board to designate a STCMC Board Member to serve on the SHARP board of directors following the Effective Time.

8.5 District Voter Approval. The DISTRICT's voters shall have approved a ballot measure authorizing the transfers contemplated by this Agreement in accordance with Section 32121(p)(2)(D) of the California Health & Safety Code.

8.6 Election of Directors and Officers of STCMC . SHARP shall have elected the members of the STCMC Board who shall serve as of the Effective Time, subject to the approval of the DISTRICT in accordance with Section 6.1.3; and, in addition, the STCMC Board shall have appointed the persons who shall serve as the as officers of STCMC as of the Effective Time.

8.7 Certified Copies of SHARP and STCMC Resolutions. At the Closing, the SHARP Parties shall furnish the DISTRICT with copies of:

8.7.1 Resolutions duly adopted by the SHARP board of directors and the STCMC Board authorizing and approving the execution and delivery of the Affiliation Agreements, and all other necessary or proper corporate action to enable the SHARP Parties to comply with the terms of the Affiliation Agreements;

8.7.2 Resolutions duly adopted by SHARP amending the bylaws of SHARP as set forth in Section 8.4; and

8.7.3 Resolutions duly adopted by STCMC Board, and approved by SHARP as its sole member, amending STCMC's Articles of Incorporation as set forth in Section 8.1 and adopting the Amended STCMC's Bylaws as set forth in Section 8.2.

Each such resolution shall be certified by the Secretary or Assistant Secretary of SHARP or STCMC, as the case may be.

8.8 Representations; Warranties. The representations and warranties of the SHARP Parties contained in this Affiliation Agreement shall be true and correct in all material respects at the date of this Affiliation Agreement and immediately prior to the Effective Time, except for representations and warranties specifically relating to a time or times other than the date of this Affiliation Agreement, which shall be true and correct in all material respects at such time or times, and except for changes permitted by this Affiliation Agreement, with the same force and effect as if made prior to the Effective Time.

8.9 Agreements; Covenants. The SHARP Parties shall have performed and satisfied in all material respects all covenants and conditions required by this Agreement to be performed or satisfied to be performed by the SHARP Parties at or prior to the Closing.

8.10 Licenses, Authorizations and Consents of Governmental and Regulatory Authorities. The DISTRICT shall have determined, to its reasonable satisfaction, that STCMC will be able to procure all licenses and permits identified in Exhibit 7.9 within a reasonable period after the Effective Time.

8.11 Material Consents. The consents listed on Exhibit 8.11 shall have been obtained.

8.12 Litigation. As of the Effective Time, there shall be no effective injunction, writ or preliminary restraining order or other order of any nature issued by a Governmental Authority directing that any of the transactions provided for in the Affiliation Agreements not be consummated as provided in the Affiliation Agreements, and immediately prior to the Effective Time no proceeding or lawsuit shall have been commenced or be pending or threatened by any Governmental Authority or any other person with respect to the transactions contemplated by the Affiliation Agreements, that either Party, in good faith and with the advice of counsel, believes would prevent or materially delay the consummation of the Affiliation Agreements.

8.13 Certain Debt related conditions. *[Closing condition related to the transfer, assumption or recontracting with respect to certain DISTRICT debt obligations (e.g., HUD loan) to be added, if necessary.]*

8.14 Legislation. No action shall have been taken and no Law, rule, regulation, order, judgment, preliminary or permanent injunction, or decree shall have been proposed, promulgated, enacted, entered, enforced or deemed applicable to the transactions contemplated by this Affiliation Agreement by any Governmental Authority or by any court or other tribunal that the SHARP Parties or the DISTRICT, in good faith and with the advice of counsel, believes: (a) prohibits, restricts, delays or makes unlawful the consummation of the transactions contemplated by this Affiliation Agreement or the satisfaction of any of the conditions to the consummation of such transactions or otherwise impairs the material, contemplated economic benefits to the parties of such transactions; (b) requires the divestiture by any party or any of their respective subsidiaries of all or any portion of their businesses, assets or properties or imposes any limitation on the ability of any of them to conduct their businesses and own such assets and properties; (c) imposes any limitations on the ability of the DISTRICT or the SHARP Parties to exercise effectively all rights of membership, ownership, and control of their businesses and operations; or (d) otherwise adversely affects the Parties.

8.15 OHCA. OHCA shall have either (a) issued a written determination that it will not conduct a CMIR with respect to the transactions contemplated in the Affiliation Agreements, as described in Section 97440(a) of Title 22 of the California Code of Regulations or (b) if OHCA elects to conduct a CMIR with respect to the transactions contemplated in the Affiliation Agreements, OHCA shall have issued a final report of findings, as described in Section 97442(d) of Title 22 of the California Code of Regulations, and the sixty (60) day period from the date of the issuance of the final report of findings has lapsed.

ARTICLE 9

POST-CLOSING COVENANTS

9.1 Compliance with District Law.

9.1.1 Operation of District Health Care Facilities. The SHARP Parties shall operate and maintain DISTRICT's health care facilities and its assets for the benefit of the communities served by DISTRICT in accordance with Section 32121(p)(2)(A)(iv) of the California Health & Safety Code.

9.1.2 Use of Funds. The SHARP Parties shall use any funds received from DISTRICT at the outset of this Agreement or any time thereafter during the term of this Agreement only to (i) reduce DISTRICT indebtedness, (ii) support the hospital and health care operations of TCMC and its associated Business, (iii) acquire needed equipment for the DISTRICT's health care facilities leased by STCMC, (iv) operate, maintain and make needed capital improvements to DISTRICT's health care facilities leased by STCMC, (v) provide supplemental health care services or facilities for the communities served by the DISTRICT, or (vi) conduct other activities that would further a valid public purpose if undertaken directly by the DISTRICT in accordance with Section 32121(p)(2)(A)(v) of the California Health & Safety Code.

9.2 Amendment of STCMC's Articles of Incorporation and Bylaws. During the term of the Hospital Lease and any extension or renewal thereof, SHARP shall not, as the sole member of STCMC, permit or cause STCMC, without the prior written consent of the DISTRICT, to amend the following provisions of the Amended STCMC Governance Documents, or adopt or amend other provisions of the Amended STCMC Governance Documents that have an adverse impact on the DISTRICT's rights under such provisions, without the prior written consent of the DISTRICT, which DISTRICT may grant, withhold, or condition in its sole discretion: [_____].

9.3 Transfer of Membership. *[Provisions requiring the DISTRICT's required consent prior to the SHARP Parties' entrance into merger, sale, or other transactions with respect to the Transferring Assets or the TCMC Business, and exceptions thereto, under discussion and to be added. Such provisions shall address Health & Safety Code Section 32121(p)(2) requirements, as applicable.]*

9.4 SHARP Board. Within ninety (90) days after the Effective Time, the STCMC Board shall designate one of its members to serve on the SHARP board of directors.

9.5 Capital Investment.

9.5.1 Within the five (5) year period after the Effective Time, SHARP, STCMC or their Affiliates will expend at least Fifty Million Dollars (\$50,000,000) for general plant and facility maintenance and repair, routine capital expenditures, and other capital expenditures reasonably required for the preservation and enhancement of TCMC's ongoing hospital and health care operations, including upgrades and replacements of TCMC's information technology, cybersecurity and other systems infrastructure.

9.5.2 Within the five (5) year period after the Effective Time, SHARP, STCMC or their Affiliates will expend at least Fifty Million Dollars (\$50,000,000) for TCMC-related strategic investments, including, without limitation, for support of the development and growth of North San Diego County-related ambulatory facilities and services, physician recruitment, retention and alignment, initiatives that benefit and support TCMC's growth and expansion or enhancement of its service lines, and the implementation of a North San Diego County strategic development plan.

9.5.3 SHARP has adopted the Epic Electronic Health Record System and enterprise technical infrastructure (“Epic System”) for all sites of care in the SHARP system, including all acute care and ambulatory sites. In this regard, (i) within the [_____] year period after the Effective Time, the SHARP Parties will cause TCMC and its related health care facilities and operations to be fully integrated into SHARP’s Epic System on a basis that is generally consistent with the way SHARP deploys the Epic System to its hospitals, clinics and outpatient sites as of the Effective Time, (ii) such implementation is anticipated to result in significant improvements to patient quality, safety, and coordination of care for the hospital and health care services at TCMC, (iii) the implementation schedule for such integration and implementation shall be mutually agreed upon by the Parties after the Effective Time, and (iv) the SHARP Parties shall be responsible for Epic System-related capital and operating costs and expenses associated with the integration and implementation of the Epic System.

9.5.4 Following the Closing, SHARP shall commit sufficient capital to achieve seismic compliance for the maintenance of a minimum of 175 licensed hospital beds at TCMC through (a) retrofitting TCMC’s existing hospital facilities (which the Parties acknowledge shall not be conditioned on whether the Parties are able to obtain voter approval for a general obligation (GO) bond ballot measure in accordance with Section 9.6 below); or (b) replacement of all or a portion of TCMC’s hospital facilities (which the Parties acknowledge shall be conditioned upon receipt of funds from the issuance of tax-exempt bonds following the approval by the voters residing in the DISTRICT of a GO bond ballot measure in accordance with Section 9.6).

9.6 GO Bond Commitments. The Parties shall use commercially reasonable efforts and cooperate in good faith to pursue the issuance of General Obligation Bonds (“GO Bonds”) to finance TCMC-related seismic needs and compliance objectives and certain other to-be-determined capital commitments within the initial three years after the Effective Time. Each Party shall take all necessary and reasonable actions, including, without limitation, preparing and submitting required documentation, engaging legal and financial advisors, and participating in public hearings or elections, as applicable under California law, to facilitate the approval by the voters residing in the DISTRICT of a ballot measure authorizing the GO Bonds and, following such approval, the issuance of such GO Bond. The Parties acknowledge that the issuance of GO Bonds require voter approval pursuant to Article XIII A of the California Constitution and applicable provisions of the California Government Code. Accordingly, the Parties shall jointly develop a timeline and strategy for obtaining such approval, including public outreach and coordination with relevant Governmental Authorities. The successful issuance or receipt of any such GO Bonds shall not be a requirement for compliance with Section 9.5.4(a) above or give rise to termination rights under the Leases or the Transfer Agreement. The Parties shall cooperate and meet according to a mutually agreed-upon schedule to facilitate their obligations in this Section 9.6 and to plan for, strategize and develop timelines regarding the issuance of a GO Bond.

9.7 Medical Staff Matters.

9.7.1 Following the Effective Time, STCMC shall maintain TCMC’s independent medical staff (“TCMC Medical Staff”), whose membership shall, subject to the SHARP Parties’ applicable policies and procedures, initially be comprised of all physicians and

advanced practice providers who have privileges at TCMC immediately prior to the Effective Time.

9.7.2 The TCMC Medical Staff's officers, Medical Executive Committee, committee chairs and other medical staff leaders immediately prior to the Effective Time will continue to serve in such capacities for the remainder of their tenure, subject to removal and replacement in accordance with the TCMC Medical Staff Bylaws.

9.7.3 The TCMC Medical Staff Bylaws immediately prior to the Effective Time shall be adopted and approved by the STCMC Board as the TCMC Medical Staff Bylaws as of the Effective Time, subject to such amendments as may be necessary and effective as of the Effective Time for the STCMC Board to be recognized as the "governing body" for purposes thereof.¹ After the Effective Time, the Medical Staff Bylaws may be modified in accordance with such Medical Staff Bylaws' terms and without approval of the DISTRICT. Relatedly, the Hospital Lease will require that STCMC conform to, and abide by, California Health & Safety Code Section 32128.

9.8 Maintenance of Certain Clinical Services. From and after the Effective Time, STCMC will (a) maintain and operate TCMC as a separately licensed general acute care hospital with a minimum of 175 licensed acute care beds; (b) ensure that TCMC maintains and provides basic emergency department services (as such term is defined in Section 70411 of Title 22 of the California Code of Regulations), as well as all other services required by California Law for TCMC to be licensed as a general acute care hospital (as set forth in Section 70001 *et seq.* of Title 22 of the California Code of Regulations); and (c) use commercially reasonable efforts to reestablish and maintain a perinatal unit (as defined in Section 70545 of Title 22 of the California Code of Regulations) and an intensive care newborn nursery services unit (as defined in Section 70481 of Title 22 of the California Code of Regulations).

9.9 Community Benefit Commitments. After the Effective Time, STCMC shall operate TCMC in furtherance of the DISTRICT's responsibility to deliver high-quality health care services to all residents within the DISTRICT's geographic boundaries regardless of insurance status, income or demographics. Without limiting the generality of the foregoing, STCMC will, from and after the Effective Time:

9.9.1 Cause TCMC to participate in the Medicare and Medi-Cal programs and provide services to Medicare and Medi-Cal beneficiaries in a non-discriminatory manner; and

9.9.2 Adopt SHARP's financial assistance/charity care policy for use and application at TCMC, which will provide access to free or discounted care at a level reasonably consistent with TCMC's current charity care policy in effect immediately prior to the Effective Time.

9.10 DISTRICT Board Role Post-Closing. The DISTRICT Board shall, from and after the Effective Time, retain responsibility for the general operations of the DISTRICT that are

¹ Note to Sharp: If changes are necessary, attach new / amended medical staff bylaws.

unrelated to the governance, management, administration or operation of TCMC and the Transferring Assets, including:

9.10.1 Facilitating community health partnerships;

9.10.2 Coordinating with the County Registrar in connection with the conduct of the DISTRICT's elections;

9.10.3 Receiving property tax revenue allocated to the DISTRICT, subject to Section 9.11;

9.10.4 Promoting community wellness and conducting health improvement initiatives, including working collaboratively with the SHARP Parties to develop initiatives to improve the health of the communities served by the DISTRICT and the SHARP Parties;

9.10.5 Facilitating GO Bond measures as may be mutually agreed upon by the DISTRICT and the SHARP Parties to support the renovation and/or replacement of TCMC facilities, including providing reasonable community oversight on the expenditure of GO Bond funds as agreed upon by the Parties; and

9.10.6 Such other activities as are consistent with the role and function of the DISTRICT and that are not in violation or inconsistent with the Affiliation Agreements. The DISTRICT agrees that a SHARP-designated representative (which representative shall be subject to the reasonable approval of DISTRICT) shall be entitled to participate in the DISTRICT's process for evaluating and commenting upon grant requests received by the DISTRICT.

9.11 Property Tax Revenue Commitments. *[Provisions addressing the DISTRICT's use of post-Closing Property Tax Revenue, and the SHARP Parties' rights to use portions of such revenue for the benefit of TCMC and the Business under discussion and to be added]*

9.12 TCMC Foundation. The TCMC Foundation, with STCMC as its sole member after the Effective Time, shall remain a separate, supporting entity of TCMC, and all assets and funds of the TCMC Foundation from and after the Effective Time shall be utilized by the TCMC Foundation to support TCMC's operations and other healthcare, medical and community benefit activities, consistent with the purposes of the TCMC Foundation, as reasonably determined by the TCMC Foundation Board of Directors from time to time. The TCMC Foundation shall be an integrated part of, and have access to, the foundation management, fundraising, support and other services available from the Sharp HealthCare Foundation, which assists and furthers the charitable activities of the fundraising foundations associated with SHARP and its Affiliates. In connection with the expiration or earlier termination of the Leases, and in the absence of any extension or renewal thereof, the DISTRICT shall propose amendments to the TCMC Foundation's governance documents that provide for STCMC, upon such expiration or earlier termination, to no longer be the sole member of the TCMC Foundation, and for such other changes as may be reasonably necessary since STCMC will no longer be the lessee and operator of TCMC and to ensure that TCMC's charitable assets will continued to be used in support of and for benefit of TCMC; such proposed amendments to be reasonably accepted and approved by STCMC (effective as of such expiration or earlier termination).

9.13 Post-Closing TCMC Branding. After the Effective Time, the SHARP Parties will operate TCMC under the name “Sharp Tri-City Medical Center.” Post-Closing, if the SHARP Parties determine that it is in the best interest of TCMC or its related Business to change the name of TCMC, it shall work collaboratively with the DISTRICT with respect to any such revised name and related branding strategy and obtain the prior written consent of DISTRICT prior to implementing such revised name and related branding strategy.

9.14 Post-Closing Covenant Review Meetings. After the Effective Time, representatives of the Parties shall meet on a biannual basis (or more frequently as mutually agreed upon by the Parties) to review and discuss the status of each Party’s performance under the post-Closing covenants set forth in this Article 9 together with any other matters agreed upon by the Parties related to the use and operations of TCMC, the Transferring Assets, and other matters related thereto. Such meetings shall be public if required by Law. During such meetings, SHARP and the DISTRICT will provide, as applicable, information regarding their respective activities with respect to their post-Closing obligations related to the GO Bond process, capital commitments, their respective post-Closing activities, STCMC’s operations under the Leases, and other mutually-agreed-upon post-Closing matters.

9.15 Post-Closing Transition; Integration Planning. After the Effective Time, the Parties shall use commercially reasonable efforts and cooperate in good faith with the SHARP Parties and their representatives with respect to the planning and implementation of the transition and integration of TCMC and its related Business to the SHARP Parties. Such cooperation may include joint planning regarding operational continuity, employee onboarding, systems integration, patient care coordination, and other matters identified by the Parties. Notwithstanding the foregoing, all such cooperation shall be conducted in a manner that complies with all applicable Laws, including federal and state antitrust and competition Laws.

9.16 Post-Closing Insurance Commitments.

9.16.1 Following the Effective Time, the DISTRICT shall maintain, or cause to be maintained, all insurance policies covering pre-Closing operations of the DISTRICT’s or TCMC’s Business, including but not limited to general liability, professional liability, directors and officers liability, and cyber liability insurance, for a period of not less than [_____] years] from the Effective Time, to the extent such policies provide coverage for claims arising from acts or omissions occurring prior to the Closing. In the event such policies are claims-made policies, the DISTRICT shall, at its sole cost and expense, purchase extended reporting period endorsements (“tail coverage”) providing coverage for such claims for a period of not less than [_____] years] following the Effective Time.

9.16.2 The DISTRICT shall provide the SHARP Parties with evidence of such tail coverage within thirty (30) days following the Effective Time. The DISTRICT shall not cancel or materially amend such policies in a manner that adversely affects the SHARP Parties’ rights under this Section without the prior written consent of the SHARP Parties.

ARTICLE 10

CONFIDENTIAL INFORMATION; PUBLIC ANNOUNCEMENTS

10.1 Confidentiality. The Mutual Confidentiality and Non-Disclosure Agreement, dated April 10, 2025, between SHARP and the DISTRICT (“Confidentiality Agreement”) remains in full force and effect, and in addition, shall keep confidential, in accordance with the provisions of the Confidentiality Agreement and the Affiliation Agreements, the terms and conditions of, and all proprietary and confidential information provided pursuant to, the Affiliation Agreements. In addition to the foregoing, the information, documents and instruments delivered to each Party by the other Parties or agents thereof in connection with the negotiation of the Affiliation Agreements or in compliance with the terms, conditions and covenants thereof are of a confidential and proprietary nature. Both prior to and following the Effective Time, the Parties shall, and shall cause their representatives and Affiliates to, maintain the confidentiality of all such confidential information, documents or instruments delivered to it by the other Parties or the Affiliates or agents thereof and shall not disclose such confidential information, documents and instruments to any third parties other than its representatives assisting in the transactions contemplated by the Affiliation Agreements or as may be required by applicable Laws and, for a period of two (2) years immediately following the Effective Time, shall only use such information for purposes of the transactions contemplated by the Affiliation Agreements; provided, however, that after the Effective Time, the SHARP Parties shall have the right to use and disclose any confidential information with respect to TCMC and the Business assumed by the SHARP Parties pursuant to the Affiliation Agreements in the ordinary course of business and to the extent permitted by applicable Law. If the transactions contemplated by the Affiliation Agreements are not consummated, each Party shall return or destroy all such confidential information, documents and instruments and all copies thereof in its possession to the Party providing them upon the written request of the other Party. The terms and conditions of this Agreement and all other Affiliation Agreements shall remain confidential, and the Parties shall not disclose the Affiliation Agreements, or any part thereof, to any third party other than its representatives assisting in the transactions contemplated by the Affiliation Agreements or as may be required by applicable Laws. Any breach of this Section 10.1 or of the Confidentiality Agreement by a Party would result in irreparable harm to the other Parties and therefore the Parties shall be entitled to seek an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond in addition to other legal and equitable remedies. In the event of any inconsistency or conflict between this Section 10.1 and the provisions of the Confidentiality Agreement, this Section 10.1 shall prevail to the extent of the inconsistency or conflict.

10.2 Public Announcements. No Party shall release, publish or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of the other Parties after consultation with their respective counsel (which consent shall not be unreasonably delayed), except for information and filings (a) reasonably necessary to be directed to Governmental Authorities to fully and lawfully effect the transactions herein contemplated; or (b) required under Law, in which case, the Party issuing such information or announcement shall provide written notice and a copy of such required information disclosure or announcement to the other Parties not less than two (2) business days prior to the date of such disclosure or announcement

and shall reasonably consider the views and/or input of the other Parties with respect to such disclosure or announcement in good faith prior to its release.

ARTICLE 11

TERMINATION OF AFFILIATION

11.1 Failure to Close by Specified Date. This Agreement may be terminated, and the Affiliation may be abandoned by action of either of the board of directors of the DISTRICT or SHARP, if the Affiliation shall have not be effective on or before December 31, 2026, or such later date as shall have been approved by the boards of directors of the DISTRICT and the SHARP Parties.

11.2 Pre-Closing Termination. This Agreement may also be terminated prior to the Effective Time:

11.2.1 By the DISTRICT if it discovers with respect to the SHARP Parties (a) any material breach of the representations or warranties of the SHARP Parties in Article 4 of this Agreement; (b) any such representations or warranties of the SHARP Parties in Article 4 of this Agreement shall not be correct or accurate in all material respects at and as of the Closing Date with the same effect as if made at such time; or (c) the SHARP Parties shall have failed to comply in any material respect with any of the terms, covenants, conditions or agreements contained in the Affiliation Agreements to be complied with or performed by the SHARP Parties on or prior to the Closing Date; and, in any such case, such breach or failure to comply is not cured or resolved to the DISTRICT's reasonable satisfaction within thirty (30) days following written notice from the DISTRICT to the SHARP Parties describing such breach or failure to comply in reasonable detail or within such longer cure period as may be agreed upon by the Parties.

11.2.2 By the SHARP Parties if they discover with respect to the DISTRICT (a) any material breach of the representations or warranties of the DISTRICT in Article 5 of this Agreement (as modified by any pre-Closing disclosures in accordance with Section 7.4 hereof); (b) any such representations or warranties of the DISTRICT in Article 5 of this Agreement (as modified by any pre-Closing disclosures in accordance with Section 7.4 hereof) shall not be correct or accurate in all material respects at and as of the Closing Date with the same effect as if made at such time; or (c) the DISTRICT shall have failed to comply in any material respect with any of the terms, covenants, conditions or agreements contained in the Affiliation Agreements to be complied with or performed by the DISTRICT on or prior to the Closing Date; and, in any such case, such breach or failure to comply is not cured or resolved to the SHARP Parties' reasonable satisfaction within thirty (30) days following written notice from the SHARP Parties describing such breach or failure to comply in reasonable detail (or within such longer cure period as may be agreed upon by the Parties).

11.2.3 By the DISTRICT if it discovers with respect to the SHARP Parties, or by the SHARP Parties if they discover with respect to the DISTRICT, that there has been any Material Adverse Effect in the financial condition, properties, Business, results of operations or prospects of any of the other Party or Parties, or any event shall have occurred that is likely to

result in any such change, and such Material Adverse Effect is not cured or resolved to the terminating Party's or Parties' reasonable satisfaction within thirty (30) days following written notice from the discovering Party describing such Material Adverse Effect in reasonable detail (or within such longer cure period as may be agreed upon by the Parties).

11.2.4 By the SHARP Parties if the DISTRICT discloses, or the SHARP Parties become aware of, a material pre-Closing disclosure that results in the SHARP Parties having a termination right in accordance with Section 7.4 above

11.3 Post-Closing Termination. This Agreement shall automatically and immediately terminate upon the expiration or the termination of the Hospital Lease for any reason. [*Provisions addressing the Sharp Parties' post-Closing rights and remedies related to termination to be added, if necessary*]

11.4 Effect of Termination. Upon termination pursuant to this Section, this Agreement shall be null and void, and neither Party shall have any further obligation or liability hereunder, except as otherwise expressly provided in this Agreement.

ARTICLE 12

INDEMNIFICATION

12.1 Indemnification by the DISTRICT.

12.1.1 The DISTRICT shall, from and after the Effective Time, indemnify, defend, and hold SHARP and STCMC (which, for purposes of this Section 12.1.1 shall include directors, officers, employees, agents, representatives, successors and assigns of SHARP, STCMC and their respective Affiliates) (collectively, the "SHARP Indemnitees") harmless, and upon SHARP's request defend, the SHARP Indemnitees, from and against any and all claims, actions, suits, demands, judgments, penalties, liabilities, damages, costs, expenses and losses of any kind whatsoever (including, without limitation, reasonable attorneys' fees and disbursements) (collectively, "Losses") resulting from, arising out of or relating to (a) fraud or intentional misrepresentation by DISTRICT's Chief Executive Officer, Chief Operation Officer, or Chief Financial Officer as of or prior to the Effective Time related to any of the DISTRICT's representations or warranties under Article 5; (b) any breach by the DISTRICT of any covenant or agreement set forth in any of the Affiliation Agreements; or (c) any Excluded Liability.

12.1.2 To the extent that (a) the DISTRICT has insufficient funds or insurance coverage at any time following the Effective Time to satisfy all of its obligations under this Section 12.1, (b) the Leases or any of the other Affiliation Agreements expire or terminate, and (c) pursuant to the Affiliation Agreements' terms and/or the operation of Law, the Transferring Assets transferred to STCMC as of the Effective Time and all other assets accumulated by STCMC arising out of or from the operation of the Transferring Assets are returned to or otherwise revert to the DISTRICT, the DISTRICT shall pay and satisfy any and all such outstanding indemnification obligations in full to the SHARP Parties not more than thirty (30) days after any such return or reversion. Such payment may be effectuated by the SHARP Parties hold-back or offset of cash or other amounts to be paid to the DISTRICT at the time of such

return or reversion of the Transferring Assets to the DISTRICT if permissible by Law. This obligation shall survive the termination of this Agreement.

12.2 Indemnification by SHARP. SHARP shall, from and after the Effective Time, protect, indemnify and hold the DISTRICT (which, for purposes of this Section 12.2 shall include not only the DISTRICT but also its directors, officers, employees, agents, representatives, successors and assigns) (collectively, the “DISTRICT Indemnitees”) harmless, and, upon the DISTRICT’s request defend, the DISTRICT from and against any and all Losses of any kind whatsoever resulting from, arising out of or relating to (a) any fraud or intentional misrepresentation by the SHARP Parties’ Chief Executive Officer, Chief Operation Officer, or Chief Financial Officer, as of or prior to the Effective Time related to any SHARP Party representations or warranties under Article 4; (b) any breach by the SHARP Parties of any covenant or agreement set forth in this Agreement; (c) any Assumed Liability; and (d) any action or omission of the SHARP Parties related to the operation or activities of TCMC and its other health care facilities and services from and after the Effective Time.

12.3 Notice of Third-Party Claims and Control of Defense. [If any third party asserts a claim or initiates a proceeding (a “Third-Party Claim”) for which indemnification may be sought under this Agreement, the applicable indemnified Party shall promptly notify the applicable indemnifying Party (or Parties) in writing. *[control of defense language to be added.]*]

ARTICLE 13

DISPUTE RESOLUTION

13.1 Dispute Resolution. The Parties shall attempt to resolve through negotiation any controversy, dispute or claim arising out of or relating to this Agreement, or the breach thereof (each, a “Dispute”). Either Party may initiate negotiations by delivering written notice to the other Party specifying in reasonable detail the subject of the Dispute (the “Dispute Notice”). The Parties shall negotiate in good faith, which shall include a meet-and-confer between the principals of each Party.

13.2 Mediation. If the Dispute is not resolved by the date that is thirty (30) days following the meeting of the principals of each Party (the “Negotiation Period”), then it may be submitted, at the option of either Party, to mediation. The mediation shall occur within thirty (30) days after the expiration of the Negotiation Period, or as soon thereafter as is reasonably practicable. A single disinterested third-party mediator shall be selected by mutual agreement of the Parties. If the Parties are unable to mutually select a mediator with fifteen (15) days, then a mediator shall be selected by Judicial Arbitration and Mediation Services with its then-current rules and procedures for mediation (or some other mutually-agreed-upon mediator). Such rules of the mediation may be modified by the Parties to the mediation by mutual agreement at the time of the mediation. The mediator shall be bound by the terms of this Transfer Agreement. Each Party shall pay one-half the cost of mediation including the mediator’s fees. Attorneys’ fees shall be awarded separately as provided in this Transfer Agreement.

13.3 Settlement; Failure to Settle. If the Parties are unable to resolve such Dispute during the mediation, the mediator shall issue in writing a settlement proposal regarding the

Dispute (the “Settlement Proposal”). The Settlement Proposal shall be non-binding, but upon mutual written agreement among the Parties, the Settlement Proposal rendered by the mediator may be mutually accepted as binding and, in such event, shall be entered in any court having jurisdiction thereof. In the event that any Party does not accept any such Settlement Proposal, any Party may bring an action in the Superior Court in the State of California, County of San Diego to resolve such Dispute (any such action shall be subject to the requirements and limitations of Section 14.3).

ARTICLE 14 MISCELLANEOUS

14.1 Amendment and Modification; Waiver. This Agreement, the Disclosure Schedules and the Exhibits may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions of this Agreement, the Disclosure Schedules or the Exhibits shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

14.2 Attorneys’ Fees. In the event that any claim or contest regarding this Affiliation Agreement is brought by one Party to this Affiliation Agreement against the other Party, the losing Party (as determined by the applicable judge, arbitrator or person acting as the trier-of-fact) to such claim shall pay all costs and reasonable attorneys’ fees incurred by the other party or parties as a result of such claim or contest, together with interest on any amount recovered (other than attorneys’ fees) from the date judgment is entered at the maximum rate permitted by applicable Law.

14.3 Governing Law; Waiver of Jury Trial.

14.3.1 This Agreement (including the Disclosure Schedules and the Exhibits), and any action arising or relating to this Agreement, shall be governed by and construed in accordance with the internal laws of the State of California, applicable to agreements executed and performed entirely within the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of California.

14.3.2 EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER AFFILIATION AGREEMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS

AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTION OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (ii) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 14.3.

14.4 Specific Performance. Without intending to limit the remedies available to the Parties hereunder, irreparable damage would occur if any provision of this Agreement is not performed in accordance with the terms hereof, for which damages, even if available, will not be an adequate remedy. Accordingly, the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms hereof, without, in any such case, the requirement to post any bond or other undertaking, in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees not to oppose the granting of such injunctive relief on the basis that monetary damages are an adequate remedy.

14.5 Counterparts. This Agreement and any amendments hereto may be executed and delivered in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

14.6 Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including”, unless otherwise specified, shall be deemed to be followed by the words “without limitation” whether or not such words are actually stated; (b) the word “or” is not exclusive; (c) the words “herein,” “hereof,” “hereby,” “hereto”, “hereunder” and derivative or similar words refer to this Agreement as a whole, including the Disclosure Schedules and Exhibits hereto; (d) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (e) references to “dollars” or “\$” shall mean United States dollars; (f) references to “written” or “in writing” include in electronic form; (g) provisions shall apply, when appropriate, to successive events and transactions; (h) a reference to any person or entity includes such person’s or entity’s successors and permitted assigns; (i) any reference to days means calendar days unless business days are expressly specified; (j) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a business day, the period shall end on the next succeeding business day; and (k) all references to “close of business” on any given day shall be deemed to refer to 11:59 p.m. Pacific Time on such date. Unless the context otherwise requires, references herein: (i) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iii) to a statute

or regulation or statutory or regulatory provisions means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Schedules (including the Disclosure Schedules) and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

14.7 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

14.8 Severability. If any term or provision (or any portion thereof) of this Agreement, or the application of any such term or provision (or any portion thereof) to any person or circumstance, is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable term or provisions or any portion hereof had never been contained herein. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to affect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the Affiliation be consummated as originally contemplated to the greatest extent possible.

14.9 Entire Agreement. This Agreement (including the Disclosure Schedules and the Exhibits) and the Transfer Documents constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transfer Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

14.10 Successors and Assigns. This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign (directly or indirectly, whether by operation of law or otherwise) its rights, interests or obligations hereunder without the prior written consent of the other Party hereto (except that the SHARP Parties may assign this Agreement to a successor pursuant to a permissible transaction (e.g., system sale) in accordance with Section 9.3).

14.11 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and its respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, claim, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

14.12 Continued Existence of District. DISTRICT does not intend by the transfer of assets pursuant to this Agreement to dissolve DISTRICT, de facto, or otherwise, and DISTRICT intends to maintain its existence as a local health care district organized under the Local Hospital

District Law. DISTRICT shall continue to exercise all of its rights and powers under the Local Hospital District Law and does not hereby grant or delegate any such rights or powers to the SHARP Parties in any manner. Except as set forth in the Amended STCMC Bylaws, this Agreement does not vest in DISTRICT or any other person or entity any right to control or govern the activities or operations of the SHARP Parties.

14.13 Notices. All notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be delivered to the Party to whom notice is to be given either (i) by personal delivery (in which case such notice shall be deemed given on the date of delivery); (ii) by reliable next business day courier services (e.g., Federal Express, UPS or other similar service) (in which case such notice shall be deemed given on the business day following the date of deposit with the courier service); (iii) by email transmission as long as a copy of the notice is also sent on the same date by another means permitted under this Section (in which case such notice shall be deemed given on the date the email is transmitted); or (iv) by United States mail, first class, postage prepaid, registered or certified, return receipt requested (in which case such notice shall be deemed given on the third (3rd) day following the date of mailing), and in each instance properly addressed as follows:

To DISTRICT: Tri-City Health Care District
Attn: President and Chief Executive Officer
4002 Vista Way
Oceanside, CA 92056
Email: GMa@tcmc.com

With a copy to: Jeffrey G. Scott
Attn.: Law Offices of Jeffrey G. Scott
16935 W Bernardo Dr Ste 170
San Diego, CA 92127
Email: jeff@jeffscottlaw.com

To SHARP Parties: Sharp HealthCare
President and Chief Executive Officer
8695 Spectrum Center Boulevard
San Diego, CA 92123
Email: Chris.Howard@sharp.com

With a copy to: Sharp HealthCare
Attn.: Senior Vice President and General Counsel
8695 Spectrum Center Boulevard
San Diego, CA 92123
Email: LegalDept@sharp.com

And a copy to: Paul Carr-Rollitt
Manatt, Phelps & Phillips, LLP
2049 Century Park East

Suite 1700
Los Angeles, CA 90067
Email: pcarr-rollitt@manatt.com

A Party may change its addresses for purposes of this Section by giving written notice to the other Party in any manner specified in this Section.

14.14 Costs. The Parties shall each pay their respective costs for professional and other services rendered with respect to the transactions contemplated by this Affiliation Agreement.

14.15 Survival of Provisions. [*Provisions related to the survival of certain provisions under this Transfer Agreement to be added.*]

[Signature Page Follows]

IN WITNESS WHEREOF, the DISTRICT and the SHARP Parties cause this Agreement to be executed as of the Agreement Date.

SHARP HEALTHCARE

By: _____

Its: _____

TRI-CITY MEDICAL CENTER
CORPORATION

By: _____

Its: _____

TRI-CITY HEALTHCARE DISTRICT

By: _____

Its: _____

[Signature Page to Affiliation Agreement]