

SILVERSTONE BY HUNT
and
RANNIE WEBSTER HOLDING CORPORATION

AFFILIATION AGREEMENT

This **Affiliation Agreement** (the “Agreement”) is entered into this 10th day of November, 2022 by and between SilverStone by Hunt, a New Hampshire nonprofit corporation with a primary business address at 10 Allds Street, Nashua, New Hampshire 03060 and Rannie Webster Holding Corporation, a New Hampshire nonprofit corporation with a principal place of business at 795 Washington Road, Rye, New Hampshire 03870.

RECITALS

WHEREAS, SilverStone by Hunt is a nonprofit corporation whose purpose is to manage and provide funding and services to subsidiary corporations in order to provide a continuum of care for aged men, women and couples and to promote the general charitable purposes of Mary A. Hunt and Mary E. Hunt, as directed by their Wills;

WHEREAS, SilverStone by Hunt (hereinafter “SilverStone”) is the sole member of The Huntington at Nashua and Hunt Community, both New Hampshire nonprofit corporations and Continuing Care Residential Communities;

WHEREAS, Rannie Webster Holding Corporation is a nonprofit corporation whose purpose is to provide funding and services to subsidiary corporations in order to provide a continuum of care for aged men, women and couples and to promote the general charitable purposes of Rannie Webster, as directed by her Will;

WHEREAS, Rannie Webster Holding Corporation (hereinafter “RWHC”) is the sole member of Rannie Webster Foundation (hereinafter “RWF”), a New Hampshire nonprofit voluntary corporation which operates an assisted living facility and nursing home under the tradenames, Webster at Rye Assisted Living Community and Webster at Rye (hereinafter the “Webster Communities”);

WHEREAS, SilverStone and RWHC executed a Letter of Intent dated July 21, 2022 outlining their mutual desire to explore a proposed affiliation of their organizations; and

WHEREAS, following due diligence and consultation, the Parties’ respective Boards of Trustees have concluded that the proposed affiliation will serve the best interests of both organizations, will enhance the quality and efficiency of services for their respective residents, and will sustain the charitable mission of each organization.

NOW THEREFORE, SilverStone and RWHC desire to enter into this Agreement for the purpose of (i) setting forth their mutual intent to consummate the proposed affiliation, (ii) defining the terms of the affiliation, (iii) outlining necessary steps to consummate the affiliation and (iv) defining the nature of their relationship following the affiliation.

1. STATEMENT OF PURPOSE AND GUIDING PRINCIPLES

- 1.1 Identification and Furtherance of Compatible Missions. Each of SilverStone and RWHC is a healthcare charitable trust that serves its own respective and distinct communities in, respectively, Nashua, New Hampshire and its environs and Rye, New Hampshire and its environs. SilverStone and RWHC acknowledge their compatible missions and commit to the furtherance of those missions through this Affiliation.
- 1.2 Integration of Operations. The Parties believe that their respective missions will be furthered by coordinating their management and resources to create a more fully-integrated continuing care delivery system that addresses the housing, security and health needs of elderly citizens served by both SilverStone and RWHC.
- 1.3 Access to Capital. The Parties envision that the Affiliation will enhance RWHC's access to capital and other resources made available by SilverStone, thus allowing RWHC to sustain its operations and make additional investments in its facilities and services.
- 1.4 Compliance with Applicable Charitable and Tax-Exempt Requirements. SilverStone and RWHC, and their respective subsidiaries, will at all times be operated in a manner consistent with their respective charitable missions, and neither Party will be required to take any action pursuant to this Agreement which may impair or jeopardize its tax-exempt or public charity status under federal income tax law, or its charitable status under state law.

2. TERMS OF AFFILIATION

- 2.1 Merger of RWHC and RWF. On or prior to the date on which the Affiliation becomes effective (the "Closing Date") as defined in Section 3.1 below, RWHC and RWF will merge under the provisions of N.H. RSA 292 with RWF remaining as the surviving entity.
- 2.2 Appointment of SilverStone as Sole Member. In order to integrate operations, maintain consistent practices, develop unified strategies, and achieve economic efficiencies, SilverStone will become the sole corporate member of RWF and will have certain reserved powers, defined below, over RWF's operations, financial management and administrative functions. On or prior to Closing Date, RWF will amend its Articles of Agreement and Bylaws to identify SilverStone as RWF's sole corporate member.
- 2.3 Reserved Powers. To achieve the integration contemplated between the Parties, SilverStone will retain the following reserved powers over RWF in addition to those powers described in Sections 2.6 and 2.7 below, which reserved powers will be set forth in the RWF Articles of Agreement or Bylaws. Each of the following actions by RWF must be approved by the SilverStone Board before they can become effective:
 - 2.3.1 *Appointment of RWF Trustees.* Appointment of members to the RWF Board, as set forth below.

- 2.3.2 *Removal of RWF Trustees.* Removal of a member of RWF’s Board of Trustees.
 - 2.3.3 *Strategic Plan and Budgets.* Final adoption of, amendment to or waiver of any material provision of any strategic plan or any annual operating plan or budget.
 - 2.3.4 *Contracts.* Approval of or entering into any contract or other expenditure of any kind where the annual expense to RWF exceeds ten percent (10%) of the total expenditures provided in RWF’s annual budget.
 - 2.3.5 *Indebtedness.* The incurrence of any indebtedness for borrowed money or entering into any capital lease obligation that, in either case, has not been specifically set for the in a written operation budget approved by SilverStone, where the annual amount of the obligation exceeds ten percent (10%) of the total expenditures provided in RWF’s annual budget.
 - 2.3.6 *Asset Sale or Disposition.* Entering into or agreeing to enter into or otherwise approving of any transaction including a merger, consolidation, affiliation, dissolution, gift or sale of RWHC’s assets outside the ordinary course of business other than transfer of Permanently Restricted Funds as described in Section 2.7.4.
 - 2.3.7 *Acquisition.* Acquiring or agreeing to acquire by merger, consolidation with or purchase of substantially all of the assets of any other entity or division thereof outside the ordinary course of business.
 - 2.3.8 *Key Strategic Relationships.* The participation by RWF or any subsidiary of RWF in a Key Strategic Relationship (The term “Key Strategic Relationship” means the ownership of, or contractual participation in, a network, system, affiliation, joint venture, alliance or similar arrangement (not including managed care contracts or other payment arrangement with third party payors)), entered into with an organization other than SilverStone or one of its subsidiaries.
 - 2.3.9 *Programmatic Changes.* Elimination or addition by RWF or any subsidiary of RWF of (i) any line of business or (ii) any service or program with costs or revenues in excess of 1% of total budgeted revenue.
 - 2.3.10 *Governance Document Amendments.* The amendment of the Articles of Agreement, Bylaws or other governing documents of RWF.
 - 2.3.11 *Appointment of Auditor.* The selection and appointment of an auditor to examine the financial records and present his/her report at the annual meetings of the SilverStone Board and the RWF Board.
- 2.4 RWF Board of Trustees: Composition and Election. The rights and responsibilities of RWF will be conducted by the RWF Board of Trustees (the “RWF Board”), consisting of between eight (8) and twelve (12) members, nominated by the SilverStone Board Governance Committee and elected by the SilverStone Board, and subject to the reserved powers of the SilverStone Board described above in Section 2.3. To ensure a smooth

transition and a balancing of the financial and operational needs of RWF and SilverStone, as of the Closing Date the members of the RWF Board will be determined as follows:

- 2.4.1 *Current RWF Board.* To ensure continuity of leadership and a smooth integration of RWF and SilverStone, the current members of the RWF Board will continue to serve their existing terms as of the Closing Date.
 - 2.4.2 *Ex-Officio Trustees.* The President and CEO of SilverStone will serve on the RWF Board *ex officio*, with no voting rights. If RWF has a CEO, Executive Director, or Interim Executive Director he/she will serve on the RWF Board *ex officio*, with no voting rights.
 - 2.4.3 *Initial Trustees Nominated by SilverStone.* In addition to the *ex officio* position described above, the SilverStone Board Governance Committee will identify and nominate up to three (3) candidates for election to the RWF Board, following the procedure described below in Section 2.4.4, immediately following the Closing Date. Initial terms for SilverStone nominated Board members will be staggered. Within thirty (30) days of the Closing Date, the SilverStone Board will meet and will elect the nominees following the process described in Section 2.4.4 below.
 - 2.4.4 *Election Process.* The SilverStone Board Governance Committee will nominate candidates to fill vacancies on the RWF Board. The SilverStone Governance Committee will submit its slate of nominees to the RWF Board Chair at least thirty (30) days before the election to allow the RWF Board to provide input regarding the nominees and their qualifications to serve on the RWF Board, which input the SilverStone Board Governance Committee agrees to consider in good faith before the final submission of nominees for election. The SilverStone Board will vote the nominees submitted to it as a slate. If any slate is voted down, the SilverStone Board Governance Committee will provide a new slate of nominees for election by the SilverStone Board.
 - 2.4.5 *Webster at Rye Trade Name.* In recognition of the importance of “Webster at Rye” as a long-standing trade name of RWF, and Webster at Rye’s reputation in the Seacoast area, RWF shall continue to employ “Webster at Rye” as a trade name and unless approved by the RWF, such trade name shall remain in place. It is agreed that the SilverStone banner may be added to the “Webster at Rye” name in all signage and marketing materials.
- 2.5 RWF Representation on SilverStone Board. On or after the Closing Date, RWF will be entitled to nominate two (2) candidates for election to the SilverStone Board. If any RWF nominated candidate is rejected by the SilverStone Board, RWF will nominate an alternative candidate for election by the SilverStone Board until the number of eligible RWF nominated candidates have been elected. The two (2) RWF appointed members to the SilverStone Board will also serve on the SilverStone Board Governance Committee.
- 2.6 Management Support and Oversight. The parties intend that the Affiliation will provide RWF with access to enhanced resources to support and improve the Webster communities.

Following the Affiliation, the parties will collaborate to jointly develop plans for increasing revenue through increased occupancy and enhanced services achieving operational efficiencies through shared management, administrative services and resources. The parties expect that most significant changes in RWF's operations or programs will be identified by RWF management and the RWF Board and will be subject to approval by SilverStone under its reserved powers. However, SilverStone will retain the right to propose and/or implement operational or programmatic changes which it determines are in the best interest of RWF.

2.6.1 *Employment of Executive Director of RWF.* As of the Closing Date, the current RWF Executive/Interim Director ("Executive Director") will continue to be employed by RWF.

2.6.1.1 *Appointment, Supervision and Evaluation of RWF Executive Director.* The SilverStone CEO will be delegated responsibility for appointing any subsequent RWF Executive Director and will have responsibility for supervising and evaluating, on an annual basis, the overall performance of the RWF Executive Director.

2.6.1.2 *Compensation of RWF Executive Director.* The SilverStone CEO will have authority to determine annual compensation for the RWF Executive Director based on performance and achievement of goals as well as market conditions and analysis of reasonable compensation for similar positions within the SilverStone System and consistent with annual budget parameters.

2.6.1.3 *Termination of RWF Executive Director.* The SilverStone CEO will be delegated authority to terminate the employment of the RWF Executive Director.

2.6.1.4 *Input from RWF Board.* The RWF Board will provide input to the SilverStone CEO with respect to the appointment, evaluation, and compensation of the RWF Executive Director, which shall be considered in good faith by the SilverStone CEO. Prior to any termination of the RWF Executive Director, the RWF Board will be provided notice of the proposed termination and reasons therefor and will be given the opportunity to offer input, which shall be considered in good faith by the SilverStone CEO.

2.6.2 *Management Fee.* It is understood that in return for the management support and oversight, SilverStone reserves the right to charge a Management Fee to RWF which shall be determined as set forth in the Management Services Agreement attached hereto as Exhibit 1.

2.7 Financial Support and Oversight. The parties acknowledge that a material inducement to RWF entering into this Affiliation is SilverStone's commitment to provide administrative,

financial, management, and operational support and resources to assist RWF in sustaining its charitable mission. In return, RWF acknowledges that SilverStone's commitment to provide financial support and resources is conditioned upon RWF's agreement to accept SilverStone's control over certain fiscal matters, as described in its reserved powers set forth in Section 2.3, as well as its review, recommendations, and oversight over management, administrative and operational matters. In order to achieve these material commitments, the parties have agreed to the following:

- 2.7.1 *Line of Credit.* Immediately following the Closing Date, SilverStone shall provide RWF with a Revolving Line of Credit of up to Two Million Dollars (\$2,000,000.00) subject to the terms set forth in the Revolving Credit Loan Agreement and Revolving Credit Promissory Note attached hereto as Exhibits 2 and 3. SilverStone may provide additional financial support if deemed necessary and prudent by SilverStone.
- 2.7.2 *Financial Management.* The financial management of RWF will be consistent with the financial policies and guidelines established by SilverStone from time to time for the operation of its subsidiaries. The consolidation of RWF's financial statements with those of SilverStone and other reporting obligations will be guided by generally accepted accounting principles.
- 2.7.3 *Assumption of Liabilities.* SilverStone shall not be obligated to assume any liabilities of RWF, including without limitation, an existing loan payable to Orix Real Estate Capital, LLC d/b/a Lument (the "HUD Loan"). RWF shall not be required to assume, or be liable for, any SilverStone debt or obligation.
- 2.7.4 *Restricted Funds.* SilverStone will honor any permanent restrictions imposed by donors before or after the Affiliation Date upon any "endowment funds" of RWF, as such term is defined by the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), New Hampshire RSA 292-B:2(II) (collectively, the "Permanently Restricted Funds"). Such Permanently Restricted Funds and any pre-Affiliation RWF Board-designated or benevolence funds or any post-Affiliation capital reserves whether or not under approved capital budgets (collectively the "Unrestricted Reserve Funds") will remain under the sole control and decision-making authority of the Board of RWF following the Closing and will continue to be dedicated, available for use, and used exclusively for the support of the RWF communities as identified in the donor restriction, board-designated or benevolence fund or the capital budget. Any post-Affiliation donations specific to RWF will be used solely for the support of the RWF communities.
- 2.7.5 *Future Allocation/Reallocation of Resources.* Following the Closing Date, in order to sustain SilverStone and its subsidiaries, including RWF, (hereinafter the "SilverStone System"), and their respective charitable missions, SilverStone may from time to time (i) allocate Available -Assets from SilverStone to RWF or another subsidiary; (ii) reallocate Available Assets among subsidiaries or to SilverStone; (iii) share personnel and other non-monetary resources between subsidiaries; and (iv) facilitate, i.e. through collateral or other security interests,

loans for its subsidiaries. “Available Assets” with respect to this provision shall mean those liquid assets that are not required to meet an obligation or covenant under, and which are not (or may be released as) collateral for, a bond document or other loan agreement with a financial institution. Available Assets do not include any Permanently Restricted Assets or Unrestricted Reserve Funds as defined in Section 2.7.4.

Any proposed Reallocation of RWF assets or resources must first be approved by the SilverStone Board. Following such approval, the SilverStone Board must present the proposal to the RWF Board, including evidence that the assets proposed to be reallocated are “Available Assets”, that the use of the reallocated assets will be consistent with the charitable mission of RWF and that the proposed reallocation serves an identified need which will benefit the SilverStone System as a whole.

Within thirty (30) days of the presentation by the SilverStone Board, the RWF Board shall either approve the reallocation or submit its objections and the bases for those objections to the SilverStone Board. The SilverStone Board shall reconvene to consider, in good faith, the objections raised by the RWF Board and the RWF Board shall be permitted to present its objections at such meeting. The proposed reallocation must be approved by a 2/3 majority of the SilverStone Board members eligible to vote.

3. IMPLEMENTATION OF AFFILIATION

- 3.1 Closing Date. The Affiliation will become effective following satisfaction of the conditions outlined below in Section 4.1 and upon the filing of the amendments described below in Section 3.2. The Parties intend for the Affiliation to become effective on or before February 15, 2023 (the “Closing Date”).
- 3.2 Amendments to RWF Organizational Documents. Within ten (10) days following the satisfaction of the conditions described in Section 4.1 below, RWF will file with the New Hampshire Secretary of State and the Town Clerk of the Town of Rye, New Hampshire the amendments to its Articles of Agreement and Bylaws, in order to establish SilverStone as the sole member of RWF with the reserved powers described in Section 2.3 above, and to make any further amendments necessary to conform to this Agreement.
- 3.3 Amendment to SilverStone Organizational Documents. Within ten (10) days following the satisfaction of the conditions described in Section 4.1 below, SilverStone will file with the New Hampshire Secretary of State and the City Clerk of the City of Nashua, New Hampshire any amendments to its Articles of Agreement and Bylaws necessary to conform to this Agreement.
- 3.4 Reconstitution of the RWF Board of Trustees. Effective as of the Closing Date, the RWF Board of Trustees will be transitioned in accordance with the nomination and election process described above in Section 2.4. The slate of nominees from SilverStone, and the

proposed terms of such nominees will be provided to the current RWF Board Chair at least thirty (30) days prior to the anticipated Closing Date.

- 3.5 Reconstitution of SilverStone Board of Trustees. At the first meeting of the SilverStone Board of Trustees following the Closing Date, but no later than thirty (30) days following the Closing Date, the RWF nominees to the SilverStone Board, as set forth in Section 2.5, will be elected.

4. CONDITIONS TO CLOSING

For purposes of this Affiliation Agreement, “Closing” shall occur as soon as practicable after all the conditions precedent set forth in Section 4 have been satisfied, other than those conditions that by their nature shall be satisfied at Closing. The obligation of the Parties to complete the Affiliation described herein is expressly conditioned upon the prior satisfaction of the following:

- 4.1 Receipt of Regulatory Approvals. The Parties agree to cooperate with one another and work diligently to file or submit the required notices or applications in order to obtain all necessary regulatory approvals prior to the anticipated Closing Date. It is understood that such Closing cannot occur until the following approvals have been received:

New Hampshire Change of Control. Approval of the New Hampshire Director of Charitable Trusts under the so-called “Change of Control” provisions of New Hampshire RSA 7:19-b. The parties agree to provide whatever information is requested by the Director in order to enable the Director to complete the 180-day review set forth in RSA 7:19-b, IV.

- 4.2 Satisfactory Completion of Due Diligence. Each party is entitled to conduct such due diligence as it deems necessary regarding legal, operational or financial matters which may impact the feasibility of the proposed Affiliation or which might impact the successful consummation of the Affiliation. The parties will conduct such due diligence as promptly as possible and will work cooperatively and in good faith to resolve any concerns identified during due diligence review. If any issues remain outstanding at the time this Agreement is executed, they will be identified in writing and attached as an Addendum to this Agreement. If the issue has not been resolved to the parties’ mutual satisfaction at least thirty (30) days prior to the Closing Date, either party may terminate this Agreement upon written notice to the other party. The parties, however, may mutually agree to extend the time period for resolving any concerns identified during the due diligence review.

- 4.3 Third Party Consents. The receipt of approval by the U.S. Department of Housing and Urban Development (“HUD”) of the Transfer of Physical Asset Application and receipt of any other required third-party consent under any material agreement or commitment, including but not limited to financing arrangements.

- 4.4 Additional Board Votes. To the extent that any material modifications are required to this Agreement or any of the documents attached as exhibits as a result of any regulatory review identified in Section 4.1 or the results of final due diligence, or to the extent that there has been a material change in any disclosure or representation made by either party after the date of this Agreement and prior to the Closing Date, such modifications or material

changes must be approved and this Agreement ratified by the respective Boards of SilverStone and RWHC.

- 4.5 **Representations and Covenants.** The representations and covenants of each party contained in Section 5 shall be true and complete in all materials respects on and as of the date of this Agreement and on and as of the Closing Date as though such representations and covenants were made on and as of such date.
- 4.6 **Bring-Down Certificate.** Each party shall have delivered a certificate executed by an executive officer of that party confirming that the conditions set forth in Section 5 applicable to that party have been satisfied.

5. REPRESENTATIONS AND COVENANTS

- 5.1 **Mutual Representations.** Each Party makes the following representations to the other as of the date of execution of this Agreement and such representations shall be deemed reaffirmed as of the Closing Date:
- 5.1.1 *Organization and Standing.* The Party has been duly organized under the laws of the State of New Hampshire as a voluntary corporation and is in good standing under those laws.
- 5.1.2 *Corporate Action.* The Party has taken all necessary corporate action and has obtained, or by the Affiliation Date will have obtained, all necessary licenses, permits and approvals in order to execute this Agreement and perform or satisfy any undertaking herein contained.
- 5.1.3 *Authorization.* The Party has full and complete right, power and authority to execute this Agreement and to carry out the Affiliation subject to the conditions stated herein. No provision of the Party's organizational documents, no contract, agreement or regulatory ruling or condition by which the Party is obligated and no provision of law has been or will be violated by the execution by the Party of this Agreement or the performance or satisfaction of any undertaking herein contained.
- 5.1.4 *Tax Status.* The Party is qualified as a tax-exempt 501(c)(3) corporation pursuant to the Internal Revenue Code of 1986, as amended, and the Affiliation will not adversely affect such status.
- 5.1.5 *Litigation; Claims.* Unless set forth in a Schedule attached hereto, neither the Party nor its respective subsidiaries has been served with any summons, complaint or written notice to arbitrate, and no suit, litigation, claim (equitable or legal), administrative arbitration, investigation or other proceeding that would materially and adversely affect the Party or its respective subsidiaries or its or their business is pending by or before any court, governmental department, commission, board, bureau, agency, mediator, arbitrator or other person or instrumentality.
- 5.1.6 *Financial Statements and Condition.* The Party has furnished its most recent audited financial statements together with the reports of its independent accountants

pertaining to said financial statements. Such financial statements present fairly the financial condition and operations of the Party at the dates thereof, using generally accepted accounting principles, and there has subsequently been (i) no materially adverse change in the financial condition or business of the Party; (ii) no material loss, destruction or damage to the properties of the Party; and (iii) no agreement, contract or commitment entered into or agreed to except for those in the ordinary course of business or as has been otherwise disclosed to the other Party in writing.

- 5.1.7 *Insurance.* The Party has maintained and will continue to maintain until the Affiliation Date its usual and customary property, casualty, liability, extended coverage and other insurance, including, without limitation, insurance on the Party's tangible personal property and realty, whether owned or leased, against loss or damage by fire or other casualty, in amounts equal to or in excess of one hundred percent (100%) of the replacement value thereof, subject to current deductibles.
- 5.1.8 *Compliance with Law.* The Party has complied in all material respects with, and is not aware of any violation of, any law, ordinance, or governmental or regulatory rule or regulation, whether federal, state, or local, to which the Party or its operations or facilities is subject.
- 5.1.9 *Completeness of Disclosure.* No statements and representations made in this Agreement or in any other document or information furnished or to be furnished by the Party pursuant to this Agreement or in connection with the transactions contemplated hereby (including in response to the due diligence request of the other Party), contain or will contain any untrue statement of material fact or omit or fail to include any statement of material fact, which omission or failure makes such statement or representation misleading or untrue.
- 5.1.10 *Opportunity for Due Diligence.* The Party has had full opportunity to conduct due diligence regarding legal, financial, operational, regulatory, programmatic and other matters pertaining to the other Party specifically and the Affiliation generally, and the completion by the Party of the actions described in Section 3 above will be conclusive evidence that the results of such diligence are satisfactory to the Party.
- 5.2 Pre-Closing Covenants of RWHC and RWF. Between the execution of this Agreement and the Closing Date, RWF, and RWHC until such time as it merges with RWF, agree to the following:
- 5.2.1 *Operation in the Ordinary Course of Business.* RWF, and RWHC to the extent applicable, will continue to conduct its business and maintain its assets in a prudent manner consistent with its past practices, and will use commercially reasonable efforts to preserve its existing operations, maintain the conditions of its facilities, and conduct its business in compliance with all applicable obligations, laws, and regulations. If any change in normal business practices is contemplated, RWF, and RWHC to the extent applicable, will notify and consult with SilverStone prior to implementing such change.

- 5.2.2 *Compliance with HUD Loan Obligations.* RWF, and RWHC to the extent applicable, will continue to comply with all obligations of and make timely payments on its HUD Loan. RWF, and RWHC to the extent applicable, will cooperate with SilverStone in submitting the HUD Transfer of Physical Asset Application on or before November 15, 2022.
- 5.2.3 *Monthly Reporting to SilverStone.* RWF, and RWHC to the extent applicable, will provide SilverStone with (i) monthly financial statements; (ii) month end occupancy by level of care; (iii) new entrance fees received and refunds made; and (iv) capital expenditures.
- 5.2.4 *Exclusivity.* RWF, and RWHC to the extent applicable, will not negotiate or enter into any commitment with any party other than SilverStone with respect to a possible affiliation or sale of any of its assets.
- 5.3 Pre-Closing Covenants of SilverStone. Between the execution of this Agreement and the Closing Date, SilverStone agrees to the following:
- 5.3.1 *No Impairment of Capacity to Consummate Affiliation.* SilverStone will not take any action which would materially impair its capacity and ability to consummate the Affiliation and its financial commitments as set forth in Section 2.8.
- 5.4 Mutual Covenants. Between the execution of this Agreement and the Closing Date each Party agrees to the following:
- 5.4.1 *Notification of Changes.* Each Party will notify the other of any material change in any of the representations made above in Section 5.1 or any material change in any information provided during Due Diligence.
- 5.4.2 *Cooperation.* Each Party will cooperate with the other and devote the necessary time and resources to complete the necessary actions set forth in Section 4 in order to consummate the Affiliation on or before February 15, 2023.
- 5.5 Establishment of Affiliation Working Group. As soon as practicable following the execution of this Agreement, SilverStone and RWF, as the surviving entity of its merger with RWHC, shall establish an “Affiliation Working Group” comprised of the Chief Executive Officers and other selected person of each party. The Affiliation Working Group shall be authorized, subject to applicable law and this Agreement, to oversee the financial, clinical, and operational integration of the parties. Notwithstanding the establishment of the Affiliation Working Group, RWF, as the successor entity to RWHC, shall continue to be managed by its Board of Trustees and management from the effective date hereof until Closing, but subject to all of the conditions of this Agreement.

6. DURATION OF AFFILIATION

- 6.1 Term. The Parties intend that following the Closing Date, the Affiliation will be permanent and will not be terminated except upon occurrence of one of the following events described in Section 6.3.
- 6.2 Pre-Closing Termination. If any material modifications are required to this Agreement or any of the documents attached as exhibits as a result of any regulatory review identified in Section 4.1 or the results of final due diligence, or to the extent that there has been a material change in any disclosure or representation made by either party after the date of this Agreement and prior to the Closing Date, either Party may notify the other of its decision to not consummate the Affiliation. Such notice will be delivered in writing and, if requested, the Parties will meet to discuss the reasons for the termination. Each Party will continue to keep confidential any and all proprietary information of the other Party obtained through due diligence or in contemplation of this Agreement. If requested, all confidential documents will be returned to the disclosing party.
- 6.3 Post-Closing Termination Events. After the Closing Date, the Affiliation may be terminated, in accordance with the provisions of Section 6.4 below, only upon the occurrence of one of the following events:
- 6.3.1 *Mutual Consent*. The written consent of the Parties upon a determination by their respective Boards of Trustees that the purpose of their Affiliation, as described in Section 1 above, cannot be achieved;
- 6.3.2 *Material and Uncured Breach*. A material breach of this Agreement which remains uncured or for which a cure has not been commenced within a period of ninety (90) days after the breaching party's receipt of written notice of such default; or
- 6.3.3 *Material Change in Law or Regulation*. A subsequent and material change in applicable laws or regulations which prohibit, or substantially impair, the Parties' abilities to continue the Affiliation or achieve the purpose contemplated by this Agreement.
- 6.4 Dissolution. If any of the Termination Events described in Section 6.3 above occurs, the Parties agree to proceed to terminate this Agreement and dissolve their Affiliation as follows:
- 6.4.1 *Confidentiality and Public Statement*. The Parties will agree upon a mutually acceptable statement concerning the Termination Event and thereafter each Party will use such statement, and cause its employees, agents and subsidiaries to use such statement, without material modification, omission or addition, in all dealings with third parties insofar as the circumstances of the Termination Event are concerned, or else make no statement regarding the Termination Event. Each Party will continue to keep confidential any and all proprietary information of the other Party obtained through the performance of this Agreement.

- 6.4.2 *Rescission of Implementation of Affiliation; Returning the Parties to the Status Quo Ante.* The Parties agree that the actions taken to implement the Affiliation pursuant to this Agreement and any subsequent actions undertaken jointly in furtherance of this Agreement, including, but not limited to, the acquisition of property, the incurrence of debt, the entry into contracts with third parties, and any and all rights and liabilities arising out of the Affiliation, will be rescinded in a manner that will, as nearly as practicable under the circumstances present at the time of the Termination Event, restore the Parties to their respective rights, titles and interests which were enjoyed by each of them immediately prior to the Affiliation Date.
- 6.4.3 *Cooperation; Non-Solicitation/Interference; Non-Disparagement.* The Parties agree to cooperate, execute such documents and take such action as may be needed to dissolve of the Affiliation. Each Party agrees that it will not (i) interfere with the relationships between the other Party and any of its trustees, officers, managers, employees or agents, and third party vendors and relationships during the dissolution process; (ii) disparage the other Party; (iii) use or disclose any Confidential Information of the other Party; or (iv) for a period of one (1) year following the Termination Date, not employ, directly or indirectly, or solicit for employment, any employee, trustee, officer, or consultant of the other Party.

7. DISPUTE RESOLUTION

- 7.1 Pre-Affiliation Disputes. Prior to the Affiliation Date, each Party agrees to inform the other promptly of any concerns or of any circumstances which may impair the Party's performance of its obligations under this Agreement. The Parties agree to refer any such matters to the chief executive officers and, if necessary, to the Chairs of their respective Board of Trustees, to discuss and seek to resolve promptly and in good faith.
- 7.2 Post-Affiliation Disputes. After the Affiliation Date, the Parties will use their best efforts to operate the SilverStone System and RWF in accordance with the applicable organizational documents and in furtherance of the Statement of Purpose and Guiding Principles described in Section 1 above. Regular communications will be encouraged, and any concerns or disputes will be referred to the Chairs of the respective Boards of Trustees, to discuss and seek to resolve promptly and in good faith.
- 7.2.1 *Non-Binding Mediation.* If any matter or dispute has not been resolved through the discussions described above, the Parties agree to refer the matter to a mediator who is experienced in mediation and health care matters similar to those in contention. The Parties will share equally in the cost of the mediator. The mediation will be held promptly after the mediator is identified and will be conducted in accordance with the procedures prescribed by him or her. This step is non-binding, but the Parties will be obligated to exert their best efforts to reach common ground and resolve their differences.
- 7.2.2 *Arbitration.* If the mediation fails to achieve a mutually agreeable resolution of the dispute, then the dispute shall be submitted to a panel of three (3) arbitrators skilled in resolution of business disputes. Each Party will select one arbitrator and the two

arbitrators selected by the Parties shall select the third. The arbitration panel shall hold a hearing on a date that is mutually agreed to by the parties and shall render a decision, in writing, within thirty (30) days of the hearing. The decision of the arbitration panel shall be final and binding on the Parties and judgment on the award rendered by the panel may be entered in any court having jurisdiction thereof. The law of New Hampshire, and when applicable, federal law, shall govern all substantive issues of law. The proceedings and decision shall remain confidential. This arbitration provision shall be subject to New Hampshire Revised Statutes Annotated Chapter 542. The Parties shall share equally the costs of the arbitrators.

8. MISCELLANEOUS

- 8.1 Confidentiality. The terms of this Affiliation Agreement and the transactions proposed herein shall be confidential and shall not be disclosed by either Party without the prior written consent of the other Party. During the course of discussions to leading to the execution of this Agreement and during the Due Diligence phase, the Parties have disclosed or will disclose confidential and proprietary information. The Parties intend that all such information (hereinafter “Confidential Information”) shall be subject to the terms of a Confidentiality and Non-Disclosure Agreement executed by them on July 21, 2022. The Parties will not disclose or use any Confidential Information to the detriment of the other Party or in any manner other than in connection with the Affiliation contemplated by this Agreement.
- 8.2 Public Communications. Notwithstanding the above, the Parties may disclose the terms of the Affiliation and the proposed transactions to any regulatory authority to the extent necessary to obtain requisite approvals and to any third party from whom consent is required as a condition to the consummation of the Affiliation as set forth in Section 4.4 above. The Parties may jointly retain a public relations/communications consultant to assist with public communications regarding the proposed Affiliation but any press release or other communication to the public will be agreed upon in advance by the Parties.
- 8.3 No Assignment. The identity of the Parties is an essential element of their relationship, and neither Party may assign its rights or duties under this Agreement without the other Party’s prior written consent.
- 8.4 Application of Legal Principles. The following legal principles will apply to the interpretation of this Agreement and the Parties’ actions under it.
- 8.5 Choice of Law and Jurisdiction. This Agreement and the obligations of the Parties under it will be governed by and interpreted under New Hampshire law. Any legal action will be brought and conducted in a New Hampshire court with appropriate jurisdiction over the dispute, and any choice of law provisions to the contrary will not apply.
- 8.6 Waiver. A waiver of any right under this Agreement will be effective only if it is written and signed by the waiving Party, and no waiver of any right will be deemed to be a waiver of any future right under this Agreement.

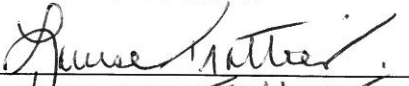
- 8.7 Integration. This Agreement represents the entire understanding and agreement between the Parties and supersedes all prior negotiations, representations and agreements, both written and oral, made by and between them, including but not limited to the Letter of Intent, which will be superseded by this Agreement as of the Effective Date. This Agreement may be amended or modified only by a written document signed by the Parties.
- 8.8 No Third-Party Beneficiaries. No person, organization or other party not a signatory to this Agreement will be regarded as a beneficiary of its terms or will have the standing or right to enforce any of the provisions of this Agreement.
- 8.9 Severability. If any particular provision of this Agreement is determined to be invalid or illegal, it will not affect the other provisions of this Agreement. Instead, the Agreement will be construed as if the invalid or unenforceable provisions were limited to the fullest extent permitted by law and consistent with the spirit and intent of this Agreement.
- 8.10 Availability of Rights and Remedies. Nothing in this Agreement is intended to limit the nature or extent of legal or equitable rights and remedies available to the Parties under New Hampshire law. The Parties agree that non-performance of this Agreement cannot be remedied by monetary damages, and that the equitable remedy of specific performance should be available to them as an appropriate remedy.
- 8.11 Future Review and Revision or Renewal of Certain Provisions. The Parties recognize that their Affiliation will evolve over time and under changing circumstances. To ensure that the structure of their Affiliation remains appropriate and effective in the future, and if the Parties have not already done so on an ongoing basis, the Parties agree to review in good faith on or about the fifth (5th) anniversary of the Affiliation Date, and every fifth (5th) year anniversary thereafter, the terms of their Affiliation under this Agreement. The Parties will determine whether the existing provisions remain appropriate and should be renewed, or whether they should be modified or ended. The Parties will execute: (i) an amendment to this Agreement reflecting any modification of the above provisions; and (ii) any amendments to any ancillary documents referenced in this Agreement as may be necessary to effect such modifications. If the Parties cannot reach mutual agreement regarding the renewal or modification of any provisions, then they will follow the mechanism set forth in Sections 5.4.3 and 5.4.4 above to resolve their disagreement. If the arbitration panel determines that the Affiliation is no longer in the best interests of either Party and cannot be modified in a way to achieve the best interests of both Parties, the panel shall recommend the unwinding of the Affiliation in accordance with Section 5.2.2 above. It is understood that such decision may not be based solely on the financial condition of either Party and that, absent a Termination Event, the Affiliation may not be terminated if it would result in the inability of either Party to continue to exist.

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Execution by the Parties:

Each of the Parties indicates its understanding and acceptance of the terms described above as of the Effective Date by signing below through its duly-authorized representative.

SILVERSTONE BY HUNT

By: 
Name: Louise Trotter
Title: Branch Chief, duly authorized.

RANNIE WEBSTER HOLDING CORPORATION

By: _____
Name: _____
Title: _____, duly authorized

Execution by the Parties:

Each of the Parties indicates its understanding and acceptance of the terms described above as of the Effective Date by signing below through its duly-authorized representative.

SILVERSTONE BY HUNT

By: _____
Name: _____
Title: _____, duly authorized.

RANNIE WEBSTER HOLDING CORPORATION

By: Charles B. Rippe
Name: Charles B. Rippe
Title: Chairman, duly authorized

EXHIBITS

Exhibit 1 – Management Services Agreement

Exhibit 2 – Revolving Credit Loan Agreement

Exhibit 3 – Revolving Credit Promissory Note