Attorney General Notice Pursuant to 11 CCR §999.5(d)
Affiliation between Covia Entities and Front Porch

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SECTION 999.5(d)(1)

DESCRIPTION OF TRANSACTION

(d)(1)(A)

(A) The following is a full description of the proposed transaction:

The subject transaction involves an affiliation between and among Covia Group ("Covia Group"), Covia Communities ("Communities"), Covia Affordable Communities ("CAC") and Covia Foundation, each of which is a California nonprofit public benefit corporation (collectively, the "Covia Entities" or "Covia") and Front Porch Communities and Services, a California nonprofit public benefit corporation ("Front Porch") (the "Affiliation").

The Parties

Communities owns and operates multiple continuing care retirement communities ("CCRCs") (also known as "Life Plan" communities) in California, all of which have skilled nursing facilities ("SNFs") on-site as listed below. CAC operates or manages multiple affordable senior housing communities that do not include health facilities. Covia Group is the sole member of Communities and CAC and does not own or operate any SNFs or other health facilities. Covia Foundation is a foundation that raises funds to support and expand the mission and programs of Communities.

In total, Communities owns and operates five CCRCs in California:

1. Canterbury Woods in Pacific Grove, California;
2. St. Paul's Towers in Oakland, California;
3. Spring Lake Village in Santa Rosa, California;
4. San Francisco Towers in San Francisco, California; and
5. Webster House in Palo Alto, California

A sixth CCRC, Los Gatos Meadows, in Los Gatos, California, has been closed and is undergoing a planned redevelopment process.

All of Communities’ CCRCs have SNFs on-site. They also operate as residential care facilities for the elderly ("RCFES"). Copies of Communities’ SNF and RCFE licenses are attached to this Section.

Front Porch, directly or through its subsidiaries, (1) owns and operates senior residential, nursing and residential care communities in California, which include multi-level (or "continuing care") facilities, either directly or through limited liability companies of which Front Porch is the sole member (the “Real Estate LLCs”), consisting of Carlsbad By The Sea in Carlsbad, California; Casa de Mañana in La Jolla, California (owned by Front Porch Communities and Services - Casa de Mañana, LLC and leased to and operated by Front Porch Communities Operating Group, LLC ("Front Porch OpCo") of which Front Porch is the sole member); Claremont Manor in Claremont, California (owned by Front Porch Communities and Services - Claremont Manor, LLC and leased to and operated by Front Porch OpCo); Fredericka Manor in Chula Vista, California (owned by Front Porch Communities and Services - Fredericka Manor, LLC and leased to and operated by Front Porch OpCo); Kingsley Manor in Los Angeles,
California (owned by Front Porch Communities and Services - Kingsley Manor, LLC and leased to and operated by Front Porch OpCo); Sunny View in Cupertino, California; Villa Gardens in Pasadena, California; Vista del Monte in Santa Barbara, California; Walnut Village in Anaheim, California; and Wesley Palms in San Diego, California; (2) leases and operates two active adult communities outside of California; (3) manages affordable housing communities for families, seniors and the mentally ill through CARING Housing Ministries (“CHM”), a nonprofit corporation of which Front Porch is the sole member; and (4) operates an affordable housing community for seniors through Sunny View Lutheran Home, a nonprofit corporation of which Front Porch is the sole member (“SVLH”), all of which provide a wide range of programs and services for seniors.

**Affiliation and Objectives**

The Affiliation Agreement provides for Front Porch to become the sole corporate member of Covia Group, Covia Communities and CAC. Covia Communities will remain the sole corporate member of Covia Foundation. The Affiliation is not a merger of the two organizations; Front Porch and Communities will each retain its existing corporate integrity and separate ownership of its current assets.

Organizational charts illustrating the pre- and post-Affiliation corporate structure of Communities and Front Porch are attached to this Section.

Following is a summary of the key terms of the proposed Affiliation. The terms of the Affiliation will be reviewed by the California Department of Social Services (“DSS”) and are subject to DSS's approval. Communities will notify the Attorney General’s Office and will supplement this Notice filing in the event that DSS requests any changes to the terms of the Affiliation set forth below.

**Basic Affiliation Structure**

- The parties to the Affiliation are Covia Group, Covia Communities, CAC, Covia Foundation and Front Porch.

- The purpose of the Affiliation is to improve the parties’ service lines, expand their respective missions, permit them to continue to deliver services in their respective areas of expertise, and enhance corporate support functions of the Covia Entities and Front Porch by bringing the Covia Entities (except for the Covia Foundation) under one sole corporate member, Front Porch.

- The closing of the Affiliation shall occur upon receipt of all required regulatory approvals and the satisfaction of the other conditions to closing set forth in the Affiliation Agreement, including satisfactory completion of due diligence.

**Covia Entities and Front Porch Governance**

- Effective on the closing of the Affiliation, Front Porch shall become the sole corporate member of Covia Group, Covia Communities and CAC. Communities will remain the sole corporate member of Covia Foundation.

- Effective on the closing of the Affiliation, Covia Group, Covia Communities, CAC, Covia Foundation and Front Porch will install new boards of directors with fifteen (15)
members. The directors of the Covia Group and of the Covia Communities boards shall be identical to those of the Front Porch board.

- Covia Communities will select six (6) of the initial directors and Front Porch will select nine (9) of the initial directors for each of the Covia Group, Covia Communities, CAC, Covia Foundation and Front Porch boards.

- Vacancies for each of the Covia Group, Covia Communities, CAC and Covia Foundation boards will be selected by the respective boards as a whole, subject to approval by Front Porch.

- Communities and Front Porch shall each include in its respective selections at least one director nominated by such party’s resident body as provided in Section 1771.8 of the California Health and Safety Code.

**Covia Communities and Front Porch Executive Management**

- Effective on the closing date, Kevin Gerber, the current President and Chief Executive Officer (“CEO”) of the Covia Entities, will resign. John Woodward, the current CEO of Front Porch, will also become the CEO of the Covia Entities at closing. The identity of the remaining executive management team members will be selected by the CEO of Front Porch prior to closing of the Affiliation.

**Financial Impacts**

- Following the closing of the Affiliation, Covia and Front Porch plan to seek to refinance existing debt (subject to market conditions and other economic factors and considerations) and to merge certain of the assets and operations of the Covia Communities with Front Porch.

**Timing**

- The parties have a number of steps before the Affiliation can occur. The closing of the Affiliation shall only occur after all of the following:
  - receipt of all third party approvals, including approval by the CCRC Branch of California Department of Social Services and the Office of the California Attorney General;
  - expiration of any waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”);
  - satisfaction or waiver of all other conditions set forth in the Affiliation Agreement; and
  - the satisfactory completion of due diligence, among others.

For a complete description of the transaction, please refer to the Affiliation Agreement, attached at 999.5(d)(1)(B) below.
SNF AND RCFE LICENSES FOR COVIA COMMUNITIES

- Canterbury Woods SNF License
- Canterbury Woods RCFE License
- St. Paul’s Towers SNF License
- St. Paul’s Towers RCFE License
- Spring Lake Village SNF License
- Spring Lake Village RCFE License
- San Francisco Towers SNF License
- San Francisco Towers RCFE License
- Webster House SNF License
- Webster House RCFE License
State of California
Department of Public Health
In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Covia Communities

to operate and maintain the following Skilled Nursing Facility

CANTERBURY WOODS
661 Sinex Ave
Pacific Grove, CA 93950-4253

Bed Classifications/Services
24 Skilled Nursing

Other Approved Services
Outpatient Services
Physical Therapy

This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:

None

Sonia Y. Angell, MD, MPH
State Public Health Officer & Director

Joshua Williams, Staff Services Manager I

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification Division.
State of California

Department of Social Services

Facility Number: 270708224
Effective Date: 09/15/1993  Total Capacity: 190

In accordance with applicable provisions of the Health and Safety Code of California, and its rules and regulations; the Department of Social Services hereby issues

this License to

COVIA COMMUNITIES

to operate and maintain a

RCFE-CONTINUING CARE RETIREMENT COMMUNITY

Name of Facility

CANTERBURY WOODS
651 SINEX AVENUE
PACIFIC GROVE, CA 93950

This License is not transferable and is granted solely upon the following:

34 MAY BE NON-AMBULATORY. FIRST FLOOR ROOMS WITH DIRECT EXITS TO EXTERIOR. LICENSED TO SERVE AGES 60 AND OVER.

Client Groups Served:
CONTINUE CARE CONTRACT (CCC)

Complaints regarding services provided in this facility should be directed to:
CCLD Regional Office  (916) 657-2600

Pamela Dickfoss
Deputy Director,
Community Care Licensing Division

Authorized Representative of Licensing Agency

POST IN A PROMINENT PLACE
State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Covia Communities

to operate and maintain the following Skilled Nursing Facility

St Pauls Towers
100 Bay Place
Oakland, CA 94610-4448

Bed Classifications/Services
43 Skilled Nursing

Other Approved Services
Occupational Therapy
Physical Therapy
Speech Therapy

This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:

None

Karen L. Smith, MD, MPH
State Public Health Officer & Director

Stephanie Davlin, Staff Service Manager I

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, East Bay District Office, 850 Marina Bay Parkway, Building P, 1st Floor Richmond, CA 948046403, (510)820-3900

POST IN A PROMINENT PLACE
State of California

Department of Social Services

Facility Number: 011400627
Effective Date: 08/14/1993
Total Capacity: 320

In accordance with applicable provisions of the Health and Safety Code of California, and its rules and regulations; the Department of Social Services hereby issues

this License to

COVIA COMMUNITIES

to operate and maintain a

RCFE-CONTINUING CARE RETIREMENT COMMUNITY

Name of Facility

ST. PAUL'S TOWERS
100 BAY PLACE
OAKLAND, CA 94610

This License is not transferable and is granted solely upon the following:

AGE 60 AND OLDER, FORTY (40) MAY BE NON-AMBULATORY. LICENSE SUBJECT TO TERMS AND CONDITIONS OF HOSPICE WAIVER FOR THREE (3) RESIDENTS.

Client Groups Served:

CONTINUE CARE CONTRACT (CCC)

Complaints regarding services provided in this facility should be directed to:

CCLD Regional Office
(916) 657-2600

Pamela Dickfoss
Deputy Director,
Community Care Licensing Division

Authorized Representative of Licensing Agency

POST IN A PROMINENT PLACE
State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Covia Communities

to operate and maintain the following Skilled Nursing Facility

Spring Lake Village
5555 Montgomery Dr
Santa Rosa, CA 95409-8846

Bed Classifications/Services
70 Skilled Nursing

Other Approved Services
Occupational Therapy
Outpatient Services - Rehabilitation - Physical,
Occupational, or Speech Therapy
Physical Therapy
Speech Therapy

This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:

1 Skilled Nursing beds suspended from 02/06/2019 to 02/05/2020 2135

Susan Fanelli
Acting Director

Stephanie Devlin, Staff Service Manager I

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, Santa Rosa/Redwood Coast District Office, 2170 Northpoint Parkway, Santa Rosa, CA 95407, (707)576-6775

POST IN A PROMINENT PLACE
State of California

Department of Social Services

Facility Number: 490107656
Effective Date: 08/07/1993
Total Capacity: 679

In accordance with applicable provisions of the Health and Safety Code of California, and its rules and regulations; the Department of Social Services hereby issues

this License to

COVIA COMMUNITIES

to operate and maintain a

RCFE-CONTINUING CARE RETIREMENT COMMUNITY

Name of Facility

SPRING LAKE VILLAGE
5555 MONTGOMERY DRIVE
SANTA ROSA, CA 95409

This License is not transferable and is granted solely upon the following:

679 MAY BE NON-AMBULATORY OF WHICH 2 MAY BE BEDRIDDEN. HOSPICE WAIVER FOR 3. APPROVED FOR DELAYED EGRESS IN MEMORY CARE UNIT.

Client Groups Served:

CONTINUE CARE CONTRACT (CCC)

Complaints regarding services provided in this facility should be directed to:

CCLD Regional Office (916) 657-2600

Pamela Dickfoss
Deputy Director,
Community Care Licensing Division

Authorized Representative of Licensing Agency

POST IN A PROMINENT PLACE
State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to
Covia Communities
to operate and maintain the following Skilled Nursing Facility

SAN FRANCISCO TOWERS
1661 Pine St
San Francisco, CA 94109-0401

Bed Classifications/Services
55 Skilled Nursing

Other Approved Services
Audiology
Occupational Therapy
Outpatient Services
Physical Therapy
Speech Pathology

This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
28 Skilled Nursing beds suspended from 09/11/2019 to 09/10/2020.

Susan Fanelli
Acting Director

Stephanie Devlin, Staff Service Manager I

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, San Francisco District Office, 155 North Hill Drive, Suite 22, Brisbane, CA 94005, (415)330-6353

POST IN A PROMINENT PLACE
State of California
Department of Social Services

Facility Number: 380540292
Effective Date: 10/31/1997        Total Capacity: 350
In accordance with applicable provisions of the Health and Safety Code of California, and its rules and regulations; the Department of Social Services hereby issues

this License to
COVIA COMMUNITIES

to operate and maintain a
RCFE-CONTINUING CARE RETIREMENT COMMUNITY

Name of Facility
SAN FRANCISCO TOWERS
1661 PINE STREET
SAN FRANCISCO, CA 94109

This License is not transferable and is granted solely upon the following:

AGE RANGE 60 YEARS AND OVER. ALL CLIENTS MAY BE NON-AMBULATORY. LICENSE IS SUBJECT TO TERMS AND CONDITIONS OF A HOSPICE WAIVER.

Client Groups Served:
CONTINUE CARE CONTRACT (CCC)

Complaints regarding services provided in this facility should be directed to:
CCLD Regional Office
(916) 657-2600

Pamela Dickfoss
Deputy Director,
Community Care Licensing Division

Authorized Representative of Licensing Agency

POST IN A PROMINENT PLACE
State of California
Department of Public Health

In accordance with applicable provisions of the Health and Safety Code of California and its rules and regulations, the Department of Public Health hereby issues

this License to

Covia Communities

to operate and maintain the following Skilled Nursing Facility

Webster House
437 Webster St
Palo Alto, CA 94301-1242

Bed Classifications/Services
145 Skilled Nursing

Other Approved Services
Occupational Therapy
Outpatient Services
Physical Therapy
Speech Pathology

This LICENSE is not transferable and is granted solely upon the following conditions, limitations and comments:
51 Skilled Nursing beds suspended from 04/22/2020 to 04/21/2021.

Sonia Y. Angell, MD, MPH
State Public Health Officer & Director

Matthew Wilson, Staff Services Manager I

Refer Complaints regarding these facilities to: The California Department of Public Health, Licensing and Certification, San Jose District Office, 100 Paseo de San Antonio, Suite 235, San Jose, CA 95113, (408)277-1784

POST IN A PROMINENT PLACE
State of California
Department of Social Services
Facility Number: 435202504
Effective Date: 06/01/2015       Total Capacity: 54
In accordance with applicable provisions of the Health and Safety Code of California, and its rules
and regulations; the Department of Social Services hereby issues
this License to
COVIA COMMUNITIES
to operate and maintain a
RCFE-CONTINUING CARE RETIREMENT COMMUNITY
Name of Facility
WEBSTER HOUSE
401 WEBSTER STREET
PALO ALTO, CA  94301
This License is not transferable and is granted solely upon the following:

AGE RANGE 60 AND OVER

Client Groups Served:
RCFE / HOSPICE

Complaints regarding services provided in this facility should be directed to:
CCLD Regional Office        (916) 657-2600

Pamela Dickfoss
Deputy Director,
Community Care Licensing Division

Authorized Representative of Licensing Agency
SECTION 999.5(d)(1)(B)

(B) A complete copy of all proposed written agreements or contracts to be entered into by the applicant and the transferee that relate to or effectuate any part of the proposed transaction.

The following agreements have been or will be executed to effect the proposed Affiliation and are attached to this Section or subsequently submitted:

1. Affiliation Agreement entered into as of June 1, 2020, by and between Front Porch, on the one hand, and the Covia Entities, on the other.

2. Confidentiality Agreement between Covia Communities and Front Porch, signed April 27, 2020.

3. Effective as of the closing of the Affiliation, the articles of incorporation of Covia Communities, Covia Group and CAC will be amended to make Front Porch their sole corporate member. In addition, the bylaws of Front Porch, Covia Communities, Covia Group, Covia Foundation and CAC will be amended to implement the other terms of the Affiliation Agreement. Amended articles of incorporation and bylaws have not yet been drafted, but will be provided to the Attorney General’s Office when they are available.
AFFILIATION AGREEMENT

BY AND AMONG

FRONT PORCH COMMUNITIES AND SERVICES,
COVIA GROUP,
COVIA COMMUNITIES,
COVIA AFFORDABLE COMMUNITIES
AND
COVIA FOUNDATION
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AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (this “Agreement”) is entered into as of June 1, 2020 (“Effective Date”), by and between Front Porch Communities and Services (“Front Porch”), on the one hand, and Covia Group (“Group”), Covia Communities (“Communities”), Covia Affordable Communities (“CAC”), and Covia Foundation (collectively, the “Covia Entities”), on the other, each of which is a California nonprofit public benefit corporation (collectively, the “Parties”).

RECITALS

WHEREAS, Front Porch, directly or through its subsidiaries: (1) owns and operates senior residential, nursing and residential care communities, which include multi-level (or “continuing care”) facilities, either directly or through limited liability companies of which Front Porch is the sole member (the “Real Estate LLCs”), consisting of Carlsbad By The Sea in Carlsbad, California; Casa de Mañana in La Jolla, California (owned by Front Porch Communities and Services - Casa de Mañana LLC and leased to and operated by Front Porch Communities Operating Group, LLC (“Front Porch OpCo”); Claremont Manor in Claremont, California (owned by Front Porch Communities and Services - Claremont Manor, LLC and leased to and operated by Front Porch OpCo); Fredricka Manor in Chula Vista, California (owned by Front Porch Communities and Services - Fredericka Manor, LLC and leased to and operated by Front Porch OpCo); Kingsley Manor in Los Angeles, California (owned by Front Porch Communities and Services - Kingsley Manor, LLC and leased to and operated by Front Porch OpCo); Sunny View in Cupertino, California; Villa Gardens in Pasadena, California; Vista del Monte in Santa Barbara, California; Walnut Village in Anaheim, California; and Wesley Palms in San Diego, California; (2) leases and operates active adult communities consisting of Cecil Pines in Jacksonville, Florida and England Oaks in Alexandria, Louisiana; (3) manages affordable housing communities for families, seniors and the mentally ill through CARING Housing Ministries, a nonprofit corporation of which Front Porch is the sole member; and (4) operates an affordable housing community for seniors through Sunny View Lutheran Home, a nonprofit corporation of which Front Porch is the sole member (“SVLH”), all of which provide a wide range of programs and services for seniors (collectively referred to herein as the “Front Porch Facilities”);

WHEREAS, Group is the sole member of: (1) Communities, which owns and operates senior residential, nursing and residential care communities (a) which include multi-level life plan facilities consisting of Canterbury Woods in Pacific Grove, California; St. Paul’s Towers in Oakland, California; Los Gatos Meadows in Los Gatos, California; Spring Lake Village in Santa Rosa, California; San Francisco Towers in San Francisco, California; and Webster House in Palo Alto, California; (b) which are supported by Covia Foundation, a foundation which raises funds to support and expand the mission and programs of Communities; and (c) which provide a wide range of programs and resources for seniors in the greater community in eight Bay Area counties (collectively referred to herein as the “Communities Facilities”); and (2) CAC, which, in turn, is the sole member of subsidiary nonprofit corporations that own and operate affordable housing communities for seniors consisting of Oak Center Towers (in concert with Oak Towers, LP, an unrelated entity) in Oakland, California; Presidio Gate Apartments in San Francisco, California; Community Housing, Inc. (through divisions Lytton Gardens I and Lytton Gardens II) and Lytton IV Housing Corp. in Palo Alto, California; Jennings Senior Housing in Santa Rosa, California; Shires Memorial Center in San Jose, California; and Bethany Center Senior Housing in San Francisco, California, which is supported by and itself is the sole corporate member of Bethany Center Foundation of San Francisco (collectively referred to herein as the “Covia Affordable Facilities”, and together with the Communities Facilities, the “Covia Facilities”);
WHEREAS, the Parties desire to affiliate in order to improve service lines, expand their respective missions, permit them to continue to deliver services in their respective areas of expertise, and enhance corporate support functions;

WHEREAS, the Covia Entities find it necessary to reorganize their business structure in order to respond to the dynamic and competitive environment in which they operate;

WHEREAS, as a condition precedent to any affiliation, Front Porch requires that the Covia Entities be free from governance or control by any third party, such as a Church, religion or religious organization, and that no member of any of the boards of any of the Covia Entities shall be required to be a member or representative of any Church, religion or religious organization; and

WHEREAS, the Parties desire to accomplish their affiliation by, among other things, having each of Group, Communities, and CAC appoint Front Porch as its sole corporate member, all on the terms and conditions set forth in this Agreement.

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

ARTICLE I
AFFILIATION FORMATION AND STRUCTURE

Section 1.1 Affiliation Transaction. The Parties shall take such actions, and enter into such transactions as may be required to establish an affiliation (the “Affiliation”) effective as of the Closing Date. The specific actions and transactions necessary to establish the Affiliation are more fully set forth in this Agreement.

Section 1.2 Amendment of Group’s Governing Documents.

(a) Effective as of the Closing Date, Group shall remain in existence as a California nonprofit public benefit corporation. Effective on the Closing Date, Group shall adopt an amendment to its Articles of Incorporation (“Amended Group Articles”) appointing Front Porch as its sole corporate member in substantially the form attached hereto as Exhibit 1.2(a).

(b) Effective on the Closing Date, Group shall adopt an amendment to its Bylaws (“Amended Group Bylaws”) in order, among other things, to reconstitute and change the nominating process for its Board of Directors (the “Group Board”) as more fully set forth in this Agreement and in substantially the form attached hereto as Exhibit 1.2(b). The Parties acknowledge that such Amended Group Bylaws may only be adopted upon the approval of a majority of the Group Board.

Section 1.3 Amendment of Communities’ Governing Documents.

(a) Effective as of the Closing Date, Communities shall remain in existence as a California nonprofit public benefit corporation. Effective on the Closing Date, Communities shall adopt an amendment to its Articles of Incorporation (“Amended Communities Articles”) appointing Front Porch as its sole corporate member in substantially the form attached hereto as Exhibit 1.3(a).

(b) Effective as of the Closing Date, Communities shall adopt an amendment to its Bylaws (“Amended Communities Bylaws”) in order, among other things, to reconstitute and change the nominating process and requirements for its Board of Directors (the “Communities Board”) as more fully set forth in
this Agreement and in substantially the form attached hereto as Exhibit 1.3(b). The Parties acknowledge that such Amended Communities Bylaws may only be adopted upon (a) the approval of three-fourths of the Communities Board, (b) the approval of two-thirds of the Group Board and (c) the approval of two-thirds of the Board of Directors of Front Porch (the “Front Porch Board”), and that such approvals shall become effective simultaneously with the Closing of this transaction. Communities acknowledges that adopting such an amendment is a condition to Front Porch agreeing to enter into this Agreement and without such an amendment Front Porch is unwilling to proceed with the Affiliation.

Section 1.4 Amendment of CAC’s Governing Documents.

(a) Effective as of the Closing Date, CAC shall remain in existence as a California nonprofit public benefit corporation. Effective on the Closing Date, CAC shall adopt an amendment to its Articles of Incorporation (“Amended CAC Articles”) appointing Front Porch as its sole corporate member in substantially the form attached hereto as Exhibit 1.4(a).

(b) Effective as of the Closing Date, CAC shall adopt an amendment to its Bylaws (“Amended CAC Bylaws”) in order, among other things, to reconstitute and change the nominating process for its Board of Directors (the “CAC Board”) as more fully set forth in this Agreement and in substantially the form attached hereto as Exhibit 1.4(b). The Parties acknowledge that such Amended CAC Bylaws may be adopted only upon (a) the approval of a majority of the CAC Board, and (b) the approval of a majority of the Group Board.

Section 1.5 Amendment of Covia Foundation’s Governing Documents.

(a) Effective as of the Closing Date, Covia Foundation shall remain in existence as a California nonprofit public benefit corporation. At the Closing Date, Communities shall remain as Covia Foundation’s sole corporate member.

(b) Effective as of the Closing Date, Covia Foundation shall adopt an amendment to its Bylaws (“Amended Covia Foundation Bylaws”, and collectively with the Amended Group Bylaws, Amended Communities Bylaws and the Amended CAC Bylaws, the “Amended Covia Entities Bylaws”) in order, among other things, to reconstitute and change the nominating process for its Board of Directors (the “Covia Foundation Board”, and collectively with the Group Board, the Communities Board and the CAC Board, the “Covia Entities Boards”) as more fully set forth in this Agreement and in substantially the form attached hereto as Exhibit 1.5(b). The Parties acknowledge that such Amended Covia Foundation Bylaws may be adopted only upon (a) the approval of a majority of the Covia Foundation Board, (b) the approval of a majority of the Communities Board and (c) the approval of a majority of the Group Board.

Section 1.6 Amendment of Front Porch’s Governing Documents.

(a) Effective on the Closing Date, Front Porch shall accept the appointment as the sole corporate member of Group, Communities, and CAC.

(b) Effective on the Closing Date, Front Porch shall adopt an amendment to its Bylaws (“Amended Front Porch Bylaws”) to, among other things, reconstitute and change the nominating process for its Board of Directors as more fully set forth in this Agreement and in substantially the form attached hereto as Exhibit 1.6(b). The Parties acknowledge that such Amended Front Porch Bylaws shall be adopted upon the approval of two-thirds of the Front Porch Board.

(c) Front Porch shall, by a two-thirds or greater vote of the Front Porch Board, resolve that, effective on the Closing Date, (i) members of all religious faiths are welcome to serve on the Group Board,
the Communities Board, the CAC Board, the Covia Foundation Board and the Front Porch Board, and (ii) there shall be no requirement that the directors of such boards be a member or representative of any Church, religion or religious organization.

Section 1.7 Selection of Covia Entities Boards and other Governance Changes.

(a) Effective on the Closing Date, each of the Covia Entities shall adopt its respective Amended Covia Entities Bylaws in order, among other things, to reconstitute its Board of Directors as follows:

(i) Each Covia Entities Board shall consist of fifteen (15) members, nine (9) of whom shall initially be selected and appointed by Front Porch and six (6) of whom shall initially be selected by Communities and appointed by Front Porch. Communities and Front Porch shall each include in its respective selections at least one (1) director nominated by such party’s resident body as provided in Section 1771.8 of the California Health and Safety Code. The directors of the Group Board and of the Communities Board shall be identical to those of the Front Porch Board.

(ii) The initial members of the Covia Entities Boards shall be named in the Amended Covia Entities Bylaws of each Covia Entity, and such bylaws shall state that those individuals shall remain in office during the period from the date of Affiliation through December 31, 2023. This initial period shall constitute the first term of office for the named individuals.

(iii) Starting with the annual meeting in 2023, the members of the Covia Entities Boards shall be divided into three (3) groups of five (5) and assigned staggered second terms beginning January 1, 2024 and expiring as of December 31 of each of the following three (3) years. Such assignments shall be made so that each group of directors shall include two (2) of the directors initially selected by Communities and three (3) of the directors initially selected by Front Porch.

(iv) Each director may serve no more than two (2) consecutive terms and may be eligible to be reappointed to a new initial term following a one (1) year break from service.

(v) Any vacancies among the directors of the Covia Entities Boards shall be filled by a vote of the applicable Covia Entities’ Board subject to the approval of the Front Porch Board (except for Covia Foundation, which vacancies will be filled subject to the approval of the Communities Board).

(b) Each of the Covia Entities’ Boards shall have at least three (3) regular meetings each year at the same time as the meetings of the Front Porch Board. The annual meeting of each Covia Entities Board shall be the last regular meeting of each year. Additional special meetings may be held in person or by video- or tele-conference as necessary.

(c) Each of the Covia Entities’ bylaws shall be amended to reflect that its respective Board may not, without approval of its sole corporate member:

(i) Dispose of all or substantially all of its corporate assets;

(ii) Merge the corporation;

(iii) Dissolve the corporation; or

(iv) Amend the articles of incorporation or bylaws.
Section 1.8 Selection of Front Porch Board.

(a) Effective on the Closing Date, Front Porch shall adopt the Amended Front Porch Bylaws in order, among other things, to reconstitute its Board of Directors as follows:

(i) The Front Porch Board shall consist of fifteen (15) members, nine (9) of whom shall initially be selected and appointed by Front Porch and six (6) of whom shall initially be selected by Communities and appointed by Front Porch. Communities and Front Porch shall each include in its respective appointments at least one (1) director nominated by such party’s resident body as provided in Section 1771.8 of the California Health and Safety Code. The directors of the Front Porch Board shall be identical to those of the Group Board and of the Communities Board.

(ii) The initial members of the Front Porch Board shall be named in the Amended Front Porch Bylaws, and such bylaws shall state that those individuals shall remain in office during the period from the date of Affiliation through December 31, 2023. This initial period shall constitute the first term of office for the named individuals.

(iii) Starting with the annual meeting in 2023, the members of the Front Porch Board shall be divided into three (3) groups of five (5) and assigned staggered second terms beginning January 1, 2024 and expiring as of December 31 of each of the following three (3) years. Such assignments shall be made so that each group of directors shall include two (2) of the directors initially selected by Communities and three (3) of the directors initially selected by Front Porch.

(iv) Each director may serve no more than two (2) consecutive terms and may be eligible to be reappointed to a new initial term following a one (1) year break from service.

(b) The Front Porch Board shall have at least three (3) regular meetings each year. The annual meeting of the Front Porch Board shall be the last regular meeting of each year. Additional special meetings may be held in person or by video- or tele-conference as necessary.

Section 1.9 Board Committee Structure. The Parties acknowledge that achieving the stated objectives of the Affiliation will require simplifying the Board and advisory committee structure of all organizations. The following initial Board Committees shall be established in each of the Amended Covia Entities Bylaws and Amended Front Porch Bylaws: (i) Executive Committee, (ii) Audit Committee, and (iii) Business Development and Assessment Committee.

Section 1.10 Operational Management. The Parties acknowledge that achieving the stated objectives of the Affiliation requires that a single senior management team (the “Senior Management Team”) be appointed which is responsible for the overall management of both Front Porch and the Covia Entities under the direction of John Woodward who shall be the Chief Executive Officer (“CEO”) of Front Porch, Group, Communities, CAC and Covia Foundation. Kevin Gerber shall resign as President and CEO of the Covia Entities effective as of the Closing. The CEO shall be the only member of the Senior Management Team appointed by the Front Porch Board and the Covia Entities Boards. All other members of the post-affiliation Senior Management Team shall be selected by the CEO and designated prior to the Closing Date.

Section 1.11 Plan of Affiliation; Further Assurances. The Parties agree to use their best efforts to obtain any and all necessary third party approvals and that receipt of such approvals or waivers shall have been obtained prior to the Closing Date. The Parties shall execute and deliver such documents and obtain such consents as are necessary to bring about the affiliation set forth in this Agreement. The Parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps
required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the contemplated transactions.

**ARTICLE II**

**CLOSING**

Section 2.1 Closing. The closing of the transactions contemplated by this Agreement (the “Closing”) shall be held on the 10th business day following the satisfaction or waiver of all conditions to the obligations of the Parties set forth in Article VII and Article VIII (other than such conditions as may, by their terms, only be satisfied at the Closing or on the Closing Date, but subject to the satisfaction or waiver of such conditions), or at such other place or at such other time or on such other date as the Parties mutually may agree in writing. The date on which the Closing takes place is referred to as the “Closing Date”. The Closing shall be held by telephone conference and electronic exchange of documents (or, if the Parties agree to hold a physical closing, at the offices of Arnold & Porter at 3 Embarcadero Center, 10th Floor, San Francisco, California) at 10:00 a.m., local time.

Section 2.2 Deliveries of Front Porch. In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing, Front Porch shall execute and deliver (as applicable) all such deeds, endorsements, assignments, and documents as shall be necessary to effect the Affiliation, including, but not limited to, the following (the “Front Porch Closing Documents”):

(a) A certificate of the Secretary of Front Porch (i) certifying, as complete and accurate as of the Closing, attached copies of the governing documents of Front Porch and all requisite resolutions or actions of the Front Porch Board approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, (ii) certifying to the incumbency and signatures of the officers of Front Porch executing this Agreement and any other document relating to the transactions contemplated hereby, and (iii) accompanied by the requisite documents for amending the relevant governing documents of Front Porch required to effect such changes necessitated by this Agreement for filing with the appropriate governmental body.

(b) A certificate of the CEO of Front Porch certifying that the conditions to Closing set forth in Section 8.2 and Section 8.3 have been satisfied.

(c) Certificates of corporate existence and good standing of Front Porch from its state of incorporation dated not more than three business days prior to the date of Closing;

(d) A certificate of the CEO of Front Porch certifying that all disclosures and schedules and exhibits, including any supplements or amendments thereto, delivered by the Covia Entities as set forth in Section 6.2 are acceptable to Front Porch.

(e) A certificate of the CEO of Front Porch certifying that the due diligence is complete and the results thereof are acceptable to Front Porch.

(f) Such other certificates, affidavits, consents, approvals, instruments and documents as are necessary to effect the contemplated transactions.

Section 2.3 Deliveries of the Covia Entities. In addition to any other documents to be delivered under other provisions of this Agreement, at the Closing, the Covia Entities shall execute and deliver (as applicable) all such deeds, endorsements, assignments, and documents as shall be necessary to effect the
reorganization and integration of Front Porch and the Covia Entities, including, but not limited to, the following (the “Covia Closing Documents”):

(a) A certificate of the Secretary of Group, Communities and Covia Foundation and a certificate of the Secretary of CAC (i) certifying, as complete and accurate as of the Closing, attached copies of the governing documents of each of the Covia Entities and all requisite resolutions or actions of the Covia Entities Boards approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, (ii) certifying to the incumbency and signatures of the officers of the Covia Entities executing this Agreement and any other document relating to the transactions contemplated hereby, and (iii) accompanied by the requisite documents for amending the relevant governing documents of the Covia Entities required to effect such changes necessitated by this Agreement for filing with the appropriate governmental body.

(b) A certificate of the CEO and President of the Covia Entities certifying that the conditions to Closing set forth in Section 7.2 and Section 7.3 have been satisfied.

(c) Certificates of corporate existence and good standing of the Covia Entities from their states of incorporation dated not more than three business days prior to the date of Closing;

(d) A certificate of the CEO and President of Group certifying that all Front Porch disclosures and schedules, including any supplements or amendments thereto, delivered as set forth in Section 5.2 are acceptable to the Covia Entities.

(e) A certificate of the CEO and President of Group certifying that the due diligence is complete and the results thereof are acceptable to the Covia Entities.

(f) Such other certificates, affidavits, consents, approvals, instruments and documents as are necessary to effect the contemplated transactions.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF FRONT PORCH

The truth, accuracy and completeness of the representations and warranties of each entity comprising Front Porch contained in this Agreement shall, subject to Section 3.22, be conditions precedent to the Covia Entities’ obligation to close under this Agreement as set forth in Section 8.2; provided, however, that the Covia Entities shall have no obligation to investigate the truth, accuracy or completeness of said representations, warranties and covenants. As an inducement to the Covia Entities to enter into this Agreement and to consummate the contemplated transactions, except as set forth in the schedules to be delivered pursuant to Section 5.2, Front Porch (which shall include, as applicable, its subsidiary nonprofit corporations and limited liability companies) hereby represents and warrants to the Covia Entities as to the following matters, which the Parties acknowledge may hereafter be amended or supplemented pursuant to Section 5.2 or Section 5.6, as of the Acceptance Date and as of the Closing Date. From the Effective Date and until the Closing Date, the Parties shall continue to conduct their respective due diligence review of the matters set forth under this Article III. As required by Section 5.2, on or before sixty (60) days after the date hereof, Front Porch shall deliver to the Covia Entities the schedules required under this Agreement. In addition, Front Porch shall deliver to the Covia Entities any supplements or amendments to these representations and warranties as required by Section 5.6, which schedules, supplements and amendments shall be acceptable to Group in its sole discretion. Except as set forth in the schedules to be delivered pursuant to Section 5.2 or as otherwise supplemented or amended by the Parties on or prior to the Closing Date pursuant to Section 5.6, Front Porch shall be deemed to remake all of the following representations, warranties and covenants as of the Closing Date.
Section 3.1  Organization and Power.  Front Porch is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the Laws of the State of California, with power and authority to conduct the business in which it is engaged, to lease and own the properties leased or owned by it and to enter into and perform its obligations under this Agreement.  Front Porch is the sole member of the Real Estate LLCs and Front Porch OpCo.  Each of the Real Estate LLCs and Front Porch OpCo is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of California, with power and authority to conduct the business in which it is engaged, to lease and own the properties leased or owned by it. Front Porch and each of Front Porch’s subsidiaries are exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”), as an organization described in Section 509(a)(2) or (3) of the Code.  There is no actual or, to Front Porch’s knowledge, any threatened challenge to the tax-exempt status of Front Porch or any of its subsidiaries.  All of Front Porch’s subsidiaries are set forth on Schedule 3.1.

Section 3.2  Authorization.  The execution and delivery of this Agreement and the Front Porch Closing Documents by Front Porch, and the performance by Front Porch of its obligations under this Agreement and the Front Porch Closing Documents have been duly authorized by all necessary corporate action (including any necessary approval by the Front Porch Board) on the part of Front Porch.  This Agreement and the Front Porch Closing Documents have been or will be duly executed and delivered by Front Porch.

Section 3.3  No Violation.  This Agreement is, and the Front Porch Closing Documents will be, the lawful, valid and legally binding obligations of each entity comprising Front Porch, enforceable in accordance with their respective terms.  The execution and delivery of this Agreement and the Front Porch Closing Documents by each entity comprising Front Porch, and the consummation by Front Porch of the contemplated transactions will not, with or without the giving of notice and/or the passage of time: (a) violate or conflict with the governing documents of any entity comprising Front Porch, (b) conflict with or result in the breach or violation of any of the terms or conditions of, or create rights of acceleration or constitute a default under, any indenture, mortgage, deed of trust, instrument, contract or other agreement to which Front Porch is a party or by which Front Porch is bound, or result in the creation or imposition of any lien, charge or encumbrance upon any of the rights, claims, property and assets, real, personal or mixed, tangible and intangible, of every kind and description whatsoever and wherever located, owned, leased or held by Front Porch and related to the operation of the Front Porch Facilities and any other business or businesses conducted by Front Porch (collectively, the “Front Porch Assets”), (c) violate any Laws to which Front Porch is subject, or (d) violate or conflict with any judgment, writ, decree, franchise, order, license or permit applicable to Front Porch.

Section 3.4  Consents.  Schedule 3.4 sets forth each consent, approval, permit, waiver, license, authorization or action of any third party or governmental body that is required in connection with the execution, delivery and performance of this Agreement by Front Porch.

Section 3.5  Front Porch Real Property.

(a) For purposes of this Agreement, “Front Porch Real Property”’ means all of the real property, whether owned, under contract to acquire or leased by Front Porch, the Real Estate LLCs and SVLH and used in, or necessary or intended for, the operation of the Front Porch Facilities and any other business or businesses conducted by Front Porch, all of which is more particularly described in Schedule 3.5(a), including, without limitation, all buildings, structures, improvements, construction in progress and fixtures (collectively, the “Front Porch Improvements”) of every kind and nature now or hereafter located on the Front Porch Real Property (the Front Porch Real Property and the Front Porch Improvements are hereinafter collectively referred to as the “Front Porch Premises”), together with (1) all options, including options to purchase and renew, or other rights thereunder; (2) all right, title and interest of Front Porch in and to any
land in any adjacent streets, alleys, easements and rights-of-way; (3) all tenements, hereditaments, 
easements, privileges and appurtenances belonging to the Front Porch Premises or any portion thereof, 
including without limitation all titles, estates, interests, licenses, agreements, air rights, water and canal 
rights, mineral rights, and all other rights at any time acquired by Front Porch in and to any of the foregoing; 
and (4) all right, title and interest of Front Porch in and to all leases, subleases, licenses, tenancies, 
agreements, contracts or grants of right made by Front Porch or at any time granted or acquired by Front 
Porch with respect to the Front Porch Premises or any portion thereof.

(b) At or prior to the Closing, and except for the Front Porch Premises that are leased by Front 
Porch, Front Porch, the Real Estate LLCs or SVLH, as applicable, shall have good and marketable fee 
simple title to the Front Porch Premises. Schedule 3.5(b) sets forth each Front Porch Premises that is owned 
by Front Porch, the Real Estate LLCs and SVLH which is or, as of the Closing Date will be, subject to any 
security interest, mortgage, pledge, liens, restriction, covenant, charge or encumbrance. There are no 
purchase contracts, options or other agreements of any kind, oral or written, formal or informal, choate or 
inchoate, recorded or unrecorded, or claims whereby any person other than Front Porch will have acquired 
or will have any basis to assert any right, title or interest in, or right to the possession, use, enjoyment or 
proceeds of, any part or all of the Front Porch Premises.

(c) Schedule 3.5(c) sets forth an accurate and complete list of all leases, subleases, options and 
commitments, oral or written, affecting any Front Porch Real Property (the “Front Porch Real Property 
Leases”) and any contracts and agreements related to any Front Porch Real Property that has been financed 
with tax exempt bond proceeds. Front Porch has provided Group with complete and correct copies of all 
Front Porch Real Property Leases.

(d) Front Porch is not aware of any facts that would adversely affect the possession, use or 
occupancy of the Front Porch Premises. Front Porch has received no notice of any default, offset, 
counterclaim or defense under any Front Porch Real Property Lease. Each of the Front Porch Real Property 
Leases is in full force and effect and is a valid, binding and enforceable obligation of Front Porch or the 
applicable subsidiary thereof and, to Front Porch’s knowledge, each of the other parties thereto.

(e) Front Porch holds all valid and effective licenses, permits, certificates, franchises, 
registrations, authorizations, filings, consents, accreditations, approvals and other indicia of authority 
relating to business operations, renovation or construction (collectively, “Licenses”) required by applicable 
Laws relating to the operation of the Front Porch Premises (collectively, the “Front Porch Licenses”), 
including without limitation Licenses from the California Department of Public Health and California 
Department of Social Services, all certificates of occupancy, underwriters’ certificates relating to electrical 
work, zoning, building, housing, safety, fire and health approvals.

(f) The zoning of each parcel of Front Porch Real Property permits the presently existing Front 
Porch Improvements and the continuation of the business of the Front Porch Facilities presently being 
conducted on such parcel, without variances or conditional use permits. Front Porch has not commenced, 
nor has Front Porch received notice of the commencement of, any proceeding that would affect the present 
zoning classification of any such parcel.

Section 3.6 Front Porch Personal Property.

(a) Front Porch, the Real Estate LLCs and SVLH has good and marketable title to all of the 
tangible personal property of every kind and nature (including without limitation all of the furniture, 
fixtures, equipment machinery, vehicles, owned or licensed computer systems, software and documentation 
thereof) (collectively, “Personal Property”), comprising, located at, or used in or necessary or intended for 
the operation of or relating to the Front Porch Facilities and any other business or businesses conducted by
Front Porch, whether or not such Personal Property is attached to the Front Porch Premises and whether or not such Personal Property is located in the Front Porch Premises or in transit to the Front Porch Facilities (collectively, the “Front Porch Personal Property”) except for the Front Porch Personal Property that is leased by Front Porch.

(b) Schedule 3.6(b) sets forth an accurate and complete list of all leases of the Front Porch Personal Property in excess of $100,000 per item that are currently binding on Front Porch. Front Porch has provided Group with complete and correct copies of such leases to Front Porch Personal Property.

Section 3.7 Front Porch Financial Statements.

(a) Attached as Schedule 3.7(a) are copies of the consolidated audited balance sheet and statements of operations and cash flows of Front Porch as of March 31, 2020, March 31, 2019, and March 31, 2018 (collectively referred to as the “Front Porch Financial Statements”). In addition, Front Porch shall provide to Group, as promptly as each becomes available prior to the Closing Date, monthly, quarterly and annual financial statements (the “Front Porch Interim Financial Statements”) with respect to the operation of the Front Porch Facilities from the Effective Date through the end of the penultimate month prior to the Closing Date. The Front Porch Financial Statements and Front Porch Interim Financial Statements referred to in this Section are and will be true, complete and correct in all material respects and have been prepared in accordance with generally accepted accounting principles (“GAAP”) applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of Front Porch and its subsidiaries at the respective dates thereof and the results of their operations and cash flows for the periods indicated. From and after the date of the Front Porch Interim Financial Statements, Front Porch has not (and at Closing shall not have) made any material changes in their respective accounting methods or practices.

(b) Except as accrued on the Front Porch Financial Statements or Front Porch Interim Financial Statements or as may be incurred in the ordinary course of business, Front Porch does not have any material liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise).

Section 3.8 Insurance. Schedule 3.8 sets forth a complete and accurate list and brief description of all insurance policies and self-insurance arrangements currently held by Front Porch, including, without limitation, to the extent applicable, fire, medical malpractice and professional liability, general liability, casualty and property damage, business interruption, extended coverage, products liability, and workers’ compensation and any and all other kinds of insurance held by Front Porch related to the Front Porch Facilities, or any of the Front Porch Assets. The description of the insurance policies and arrangements provided in Schedule 3.8 shall include a statement specifying the name of the insurer, the amount of coverage and any deductibles, the type of insurance, the amount of the premiums and dates when they are due, the policy numbers, any previously filed or pending claims thereunder, and the expiration date of such policies. True and correct copies of all such insurance policies or arrangements previously have been provided to Group by Front Porch. Such insurance policies are in full force and effect and shall remain in full force and effect through the Closing Date, unless such policies have been replaced prior to the Closing Date with new policies with substantially the same or better coverage. Certificates of insurance evidencing such insurance coverages shall be delivered to Group by Front Porch at or prior to the Closing. Front Porch is not delinquent with respect to any premium payments thereon and Front Porch is not in default or breach with respect to any provision contained in any such insurance policies. Front Porch has not received or otherwise has knowledge of any notice or request, formal or informal, from any insurance company identifying any defects in the Front Porch Assets that would adversely affect the insurability of the Front Porch Assets, canceling or materially amending or materially increasing the annual or other premiums payable under any such policy, or threatening any such cancellation, amendment or increase of premiums.
Front Porch has not been refused any insurance with respect to the Front Porch Assets to which it has applied for insurance within three years prior to the Closing Date.

Section 3.9 Litigation. Schedule 3.9 identifies all proceedings, claims or demands or legal, administrative, arbitrations or other methods of settling disputes or disagreements, pending or, to Front Porch’s knowledge, threatened against Front Porch, the Front Porch Facilities, or any of such party’s respective properties, businesses or assets, including the Front Porch Assets (said matters set forth in Schedule 3.9 being collectively referred to herein as “Front Porch Pending Litigation”). Front Porch has not received notice of any investigation, threatened or contemplated, by any federal or state governmental body that remains unresolved, involving Front Porch or the Front Porch Facilities. None of the Front Porch Pending Litigation has created a lien or a claim therefor against the Front Porch Assets. Set forth in Schedule 3.9 is a complete and accurate description of each outstanding order, writ, injunction or decree of any court, arbitrator, or governmental body against or affecting Front Porch, the Front Porch Assets or the operation of the Front Porch Facilities. Front Porch has provided Group with complete and correct copies of all such orders, writs, injunctions and decrees, and will make available upon request, copies of all correspondence, reports, memoranda and files related thereto.

Section 3.10 Licenses and Permits. Schedule 3.10 sets forth a complete and accurate list of all Front Porch Licenses, including the expiration dates thereof, if any. True and correct copies of the Front Porch Licenses have been delivered to Group by Front Porch. Front Porch has all Licenses required by all applicable Laws from all applicable governmental bodies necessary or proper in order to own and lease the Front Porch Assets and to conduct and operate the Front Porch Facilities and each of its departments as currently operated. To Front Porch’s knowledge, no notice from any authority with respect to pending or possible revocation, termination, suspension or limitation of any of the Front Porch Licenses has been issued or given, nor is Front Porch aware of the proposed or threatened issuance of any such notice. Front Porch has no reason to believe that such Front Porch Licenses would not be eligible for renewal upon their expiration. Front Porch is periodically subject to monitoring, inspections or survey reports, waivers of deficiencies, plans of correction, and other investigation reports or certifications by governmental authorities (collectively, “Licensing Surveys”). Front Porch has previously delivered to Group true, correct and complete copies of the Front Porch Facilities’ Licensing Surveys for the prior three years, as well as any statements of deficiencies and plans of correction in connection with such Licensing Surveys. With respect to any Licensing Surveys from the prior three years, such Licensing Surveys either noted no deficiencies or violations or Front Porch has remedied, discharged and complied in all material respects with all applicable plans of correction set forth therein, such that there are no violations or deficiencies with respect to any of the Front Porch Licenses. The most current Licensing Surveys did not require that capital expenditures aggregating in excess of $10,000 be made in order to ensure continued licensure of the Front Porch Facilities.

Section 3.11 Government Program; Third Party Payors.

(a) The Front Porch Facilities have historically (and in any event for at least the past three years) received reimbursement under Medicare, Medicaid and other Government Programs, are eligible to receive payment without restriction from Medicare, Medicaid and other Government Programs, are “providers” with valid and current provider agreements and with one or more provider numbers with Medicare, Medicaid and other Government Programs, and are in material compliance with the conditions of participation in such programs. A true and correct copy of each such provider agreement has been previously delivered to Group by Front Porch. Front Porch has previously delivered to Group true, correct and complete copies of the Front Porch Facilities’ certification survey reports under Medicare for the prior three years, including any statements of deficiencies and plans of correction set forth therein. The most recent certification survey reports under Medicare did not require that capital expenditures aggregating in excess of $10,000 be made in order to ensure continued participation in Medicare. Front Porch has reported
to the Centers for Medicare and Medicaid Services all material information that is required to be reported regarding the current ownership and operation of the Front Porch Facilities. The Front Porch Facilities have not received notice of pending, threatened or possible investigation by, or loss of participation in, Medicare.

(b) Schedule 3.11(b) sets forth an accurate, complete and current list of all current participation agreements with health maintenance organizations, insurance programs, any other participation agreements with third party payors and all agreements with preferred provider organizations and ACOs with respect to the Front Porch Facilities. Front Porch has previously delivered to Group true and correct copies of all such agreements listed in Schedule 3.11(b).

(c) All billing practices of Front Porch with respect to the Front Porch Facilities, including the Government Programs and private insurance companies, have been in material compliance with all applicable laws, regulations and policies of such Government Programs and third party payors. Since December 31, 2017, (i) Front Porch has not received written notice that Front Porch has billed or received any payment or reimbursement that exceeds the amounts permitted by applicable Law or third party payors by more than $10,000 individually, or $100,000 in the aggregate, except to the extent cured or corrected and all penalties or interest discharged in connection with such cure or correction and except for settling allowed amounts in ordinary course of business; (ii) Front Porch has not received written notice regarding a material violation of or failure to comply with the requirements of a Government Program; and (iii) there is no pending, nor to Front Porch’s knowledge, any material threatened, proceeding or investigation under the Medicare or Medicaid program involving Front Porch, or any person who is an officer or director of Front Porch.

(d) There is no dispute between the Front Porch Facilities or Front Porch and any governmental body or quasi-governmental authority or the Medicare fiscal intermediary regarding cost reports other than with respect to adjustments thereto made in the ordinary course of business. Front Porch has not received any notices that Medicare, Medicaid or any other Government Program has any claims against Front Porch or the Front Porch Facilities that could result in offsets against future Front Porch Facilities accounts receivable above any amounts reserved therefore.

Section 3.12 Compliance with Law.

(a) Front Porch, each of its subsidiaries, and the Front Porch Facilities and the operation thereof are in material compliance in all respects with any applicable Laws of any court or federal, state, county, municipal or other governmental body, including all Health Care Laws, and none of Front Porch, any of the Front Porch Facilities or any third party service provider acting on behalf of Front Porch or any of the Front Porch Facilities has received any notice, written or otherwise, of noncompliance with respect thereto. Front Porch and the Front Porch Facilities have implemented policies, procedures and/or programs designed to ensure that its agents and employees are in material compliance with all applicable Laws, including Laws, directives and opinions of governmental authorities relating to advertising, licensing and sales practices. Front Porch has complied, in all material respects, with all applicable security and privacy standards regarding protected health information under the Health Insurance Portability and Accountability Act of 1996 and all applicable state privacy Laws, and with all applicable regulations promulgated under any such legislation (collectively, “Privacy Laws”). To Front Porch’s knowledge, Front Porch and its agents and employees have been and continue to be in material compliance with the Privacy Laws. Neither Front Porch nor any of the Front Porch Facilities, nor, to Front Porch’s knowledge, any of its current directors, employees, officers or independent contractors (i) has been convicted of any material violation of any Health Care Laws; (ii) has been threatened overtly in writing to be charged with or has been given written notice of any material violation or default of, any Health Care Law, including an actual, pending or threatened formal adverse action, as that term is defined in 42 U.S.C. § 1320a-7(e)(g); (iii) has been excluded or suspended from participation in any federal healthcare programs, as such term is defined in 42 U.S.C. §
1320a-7b(f); or (iv) has been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental authority implementing a federal healthcare program.

(b) To Front Porch’s knowledge, neither Front Porch, nor any of its affiliates, nor any member, director, officer or employee of Front Porch, or any of its affiliates, is a party to any contract, lease agreement or other arrangement (including any joint venture or consulting agreement) related to Front Porch or any of the Front Porch Assets with any physician, health care facility, hospital, nursing facility, home health agency or other person who is in a position to make or influence referrals to or otherwise generate business for Front Porch with respect to any of the Front Porch Assets, to provide services, lease space, lease equipment or engage in any other venture or activity, to the extent that any of the foregoing is prohibited by applicable Laws. All patient records and any other documents required to be maintained by Law by Front Porch or the Front Porch Facilities have been maintained by Front Porch for a period of at least seven years from the date of creation of such document, or if in existence for less than seven years, have been and will be maintained to the Closing Date.

(c) For purposes of this Agreement:

(i) “Health Care Laws” means (i) all rules and regulations of the Medicare and Medicaid programs, including any formal regulatory interpretation of such rules and regulations, the Federal Employee Health Benefit Program, and any other federal health care program; (ii) all federal laws, rules, regulations and applicable formal regulatory interpretation of such laws, rules and regulations relating to health care fraud and abuse, including, without limitation: (A) the Anti-Kickback Law, 42 U.S.C. § 1320a-7b, 42 C.F.R. § 1001.952, (B) the federal false coding statute, 42 U.S.C. § 1320a-7a, (C) the federal physician self-referral prohibition, 42 U.S.C. § 1395nn, 42 C.F.R. § 411.351 et seq., and (D) the false claims act, 31 U.S.C. § 3729 et seq.; (iii) any and all state laws relating to health care fraud and abuse; (iv) state laws relating to Medicaid or any other state health care or health insurance programs; (v) federal or state laws related to billing or claims for reimbursement submitted to any third party payor; (vi) any other federal or state laws relating to fraudulent, abusive or unlawful practices connected with the provision of health care items or services provided to a beneficiary of any state, federal or other governmental health care or health insurance program or any private payor; and (vii) any and all federal and state laws relating to insurance, third party administrator, utilization review and risk sharing products, services and arrangements and the like.

(ii) “Government Programs” shall refer to Title XVIII (“Medicare”) and Title XIX (“Medicaid”) of the Social Security Act, CHAMPUS, TRICARE and other federal, state or local governmental reimbursement programs, or successor programs to any of the above.

Section 3.13 Employment Obligations. All obligations of Front Porch with respect to any of Front Porch’s employees, whether arising by operation of law, by contract, by past custom or otherwise, for salaries, accrued vacation and holiday pay, and other termination benefits, and other forms of compensation payable to such employees in respect of the services rendered by any of them prior to the Closing Date have been or will be paid by Front Porch either prior to the Closing Date, or within due course thereafter.

Section 3.14 Employment Matters.

(a) To Front Porch’s knowledge: (i) there is no unfair labor practice complaint against Front Porch pending before the National Labor Relations Board; (ii) there is no labor strike, dispute, slowdown or stoppage actually pending or, to the knowledge of Front Porch, threatened against or involving or affecting Front Porch; (iii) no representation question exists respecting the employees of Front Porch; (iv) no grievance or any arbitration proceeding is pending; (v) Front Porch has not experienced any labor
stoppage during the last five years; and (vi) Front Porch is in full compliance with all union contracts and collective bargaining agreements.

(b) No changes in the basis for remuneration of employees of Front Porch have been made, promised or authorized by Front Porch since January 1, 2020, except in the ordinary and usual course of business, in accordance with past practices. Except as otherwise scheduled, Front Porch has no written employment contracts, including any employment contract with any officer, consultant, director or employee; any plan, arrangement or contract providing for options, bonuses, stock purchases, deferred compensation or the like; or any restrictive covenants or agreements with any former employees, officers, consultants or directors of Front Porch and no agreement of any nature that provides for employment for any particular period of time or that provides any restrictions upon Front Porch’s right to terminate employment without any post-termination payment obligation, with any person whomsoever relating to the Front Porch Facilities. Other than in the ordinary course of business, or in furtherance of this Affiliation, no binding agreements have been made or entered into between Front Porch and any employee involved in the Front Porch Facilities regarding changes in compensation, promotion or any other change in status.

Section 3.15 Tax Returns and Liabilities. Except as set forth in Schedule 3.15, all federal, state, county and other tax returns of every nature (including, without limitation, income, employment, payroll, excise, property, sales and use taxes, unemployment contributions) required to be filed by or on behalf of, or with respect to Front Porch or the Front Porch Assets have been duly and timely filed, or will be filed (within the time periods required by Law) by Front Porch on or before the Closing Date. Copies of all such tax returns have been provided to Group and are true and correct in all respects. There are no tax liens on any of the Front Porch Assets. Front Porch does not have any dispute with any taxing authority as to taxes of any nature. There is no unassessed tax deficiency proposed or, to Front Porch’s knowledge, threatened against Front Porch, and no proceeding or audit of any tax returns of Front Porch by any governmental body is pending or, to Front Porch’s knowledge, threatened by any governmental body for assessment, reassessment or collection of any taxes affecting Front Porch, the Front Porch Facilities, and its operations.

Section 3.16 Employee Benefit Plans.

(a) For purposes of this Section, the term “Benefit Plan” means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees, whether formal or informal, whether or not written, including, but not limited to, the following types of Benefit Plans: retirement, vacation, profit sharing, deferred compensation, incentive compensation, sick pay, scholarship, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

(b) Schedule 3.16(b) identifies each Benefit Plan or arrangement covering Front Porch’s employees or relating to the operations of the Front Porch Facilities. All contributions and other payments required to be made by Front Porch to any Benefit Plan, if any, for or on behalf of any employees or former employees of Front Porch has been made or reserves adequate for such purposes have been set aside therefore in accordance with the terms of each such plan.

Section 3.17 Contracts and Commitments. Schedule 3.17 sets forth an accurate and complete list of all of the contracts, agreements, options, commitments, instruments and plans, oral or written (“Contracts”), including Contracts relating to the construction, renovation, ownership, servicing, maintenance, occupancy and operation of the Front Porch Facilities, or the Front Porch Assets, or any part thereof (collectively, the “Front Porch Contracts”) currently in force in the following categories:

(i) food and dining service;
(ii) maintenance and housekeeping services;

(iii) therapy services;

(iv) physician services;

(v) acute care facility services;

(vi) other health provider contracts, including home care and staff registry agreements; and

(vii) collective bargaining agreements.

Front Porch has provided Group with complete and correct copies of all such Front Porch Contracts. Front Porch has received no notice of any default, offset, counterclaim or defense under any Contract. Each of the Front Porch Contracts is in full force and effect and is a valid and binding and enforceable obligation of Front Porch or the applicable subsidiary thereof and, to Front Porch’s knowledge, each of the other parties thereto.

Section 3.18 Brokers’ and Finders’ Fees. Front Porch has not entered into any contracts, agreements, arrangements or understandings with any person that could give rise to any claim for a broker’s, finder’s or agent’s fee or commission or other similar payment in connection with the negotiations leading to this Agreement or the consummation of the contemplated transactions.

Section 3.19 Immigration Act. To Front Porch’s knowledge, Front Porch is in compliance in all material respects with the terms and provisions of the Immigration Reform and Control Act of 1986, as amended (the “Immigration Act”). Front Porch has not been cited, fined, served with a Notice of Intent to Fine or with a Cease and Desist Order (as such terms are defined in the Immigration Act) at the Front Porch Facilities, nor, to the knowledge of Front Porch, has any proceeding been initiated or threatened against Front Porch in connection with its operation of the Front Porch Facilities, by reason of any actual or alleged failure to comply with the Immigration Act.

Section 3.20 Front Porch Residence Agreements. Neither Front Porch nor, to Front Porch’s knowledge, any Front Porch Resident is in default under or with respect to, nor is there any dispute under or with respect to, any agreement (each such agreement, a “Front Porch Residence Agreement”) with any person currently residing at a Front Porch Facility (each, a “Front Porch Resident”), except as would not reasonably be expected to be material to Front Porch. True and complete copies of representative forms of Front Porch Residence Agreements currently used in each of the Front Porch Facilities have been made available to Group prior to the date hereof. All Front Porch Residence Agreements do not vary in any material respect from the forms of the applicable specimen agreements made available to Group, and were entered into on an arms’ length basis.

Section 3.21 Front Porch Boards of Directors. Schedule 3.21 contains a true and complete list of the current members of the Boards of Directors of each entity constituting Front Porch, respectively, immediately prior to the Closing Date.

Section 3.22 No Untrue or Inaccurate Representation or Warranty. The representations and warranties of Front Porch contained in this Agreement, and each exhibit, schedule, certificate or other written statement delivered pursuant to this Agreement, or in connection with the contemplated transactions, are accurate, correct and complete, and do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading.
Those representations and warranties set forth in this Article III that are specifically limited to “Front Porch’s knowledge” shall be based upon the actual knowledge of Front Porch’s CEO, President, CFO, Senior Vice President Human Resources, and Chief Innovation and Technology Officer (the “Front Porch Officers”) after due investigation, and Front Porch shall be responsible for all facts which such Front Porch Officers knew, or should have known as a result of such due investigation. The Front Porch Officers’ investigation shall consist of an inquiry of the most senior management executive responsible for each of the following disciplines regarding the representations pertinent to those disciplines: Operations, Human Resources, Facilities/Physical Plant, Finance, Medicare Claims, and Information Technology. There is no fact that adversely affects or in the future may, to Front Porch’s knowledge, adversely affect the ability of Front Porch to fully perform this Agreement and the contemplated transactions that has not been set forth and described in this Agreement or in a certificate, exhibit, schedule or other written statement furnished to Group pursuant to this Agreement.

Section 3.23  AS IS Affiliation; Representations, Warranties and Covenants of Front Porch. The Covia Entities acknowledge that, except as specifically provided in this Agreement, neither Front Porch nor any of Front Porch’s employees, agents or representatives has made any representations, warranties or agreements to or with the Covia Entities on behalf of Front Porch as to any matters concerning Front Porch or the Front Porch Assets, the present use thereof, or the suitability of the Covia Entities’ intended use. IT IS UNDERSTOOD AND AGREED THAT EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT, (A) THE CONDITION OF THE FRONT PORCH ASSETS ARE AGREED BY THE COVIA ENTITIES TO BE “AS IS,” “WHERE IS” AND “WITH ALL FAULTS” BASIS, SUBJECT TO ANY CONDITION WHICH MAY EXIST, AND WITHOUT THE EXISTENCE OF AND WITHOUT RELIANCE UPON ANY REPRESENTATION, WARRANTY, AGREEMENT, OR STATEMENT BY FRONT PORCH, OR ANYONE ACTING ON BEHALF OF FRONT PORCH EXCEPT THOSE REPRESENTATIONS, WARRANTIES AND AGREEMENTS SPECIFICALLY SET FORTH IN THIS AGREEMENT; (B) THE COVIA ENTITIES ARE BEING GIVEN THE OPPORTUNITY TO THOROUGHLY INSPECT AND EXAMINE FRONT PORCH’S ASSETS TO THE EXTENT DEEMED NECESSARY BY THE COVIA ENTITIES IN ORDER TO ENABLE THE COVIA ENTITIES TO EVALUATE THEIR AFFILIATION WITH FRONT PORCH ON THE FOREGOING BASIS; AND (C) THE COVIA ENTITIES ARE RELYING SOLELY UPON SUCH INSPECTIONS, EXAMINATION, AND EVALUATION OF THE FRONT PORCH ASSETS BY THE COVIA ENTITIES IN COMPLETING THE AFFILIATION ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS” BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY FRONT PORCH OR ANYONE ACTING ON BEHALF OF FRONT PORCH, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, EXCEPT AS MAY BE SET FORTH IN THIS AGREEMENT.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COVIA ENTITIES

The truth, accuracy and completeness of the representations and warranties of each entity comprising the Covia Entities contained in this Agreement shall, subject to Section 4.22, be conditions precedent to Front Porch’s obligation to close under this Agreement as set forth in Section 7.2; provided, however, that Front Porch shall have no obligation to investigate the truth, accuracy or completeness of said representations, warranties and covenants. As an inducement to Front Porch to enter into this Agreement and to consummate the contemplated transactions, except as set forth in the schedules to be delivered pursuant to Section 6.2, the Covia Entities hereby represent and warrant to Front Porch as to the following matters which the Parties acknowledge may hereafter be amended or supplemented pursuant to Section 6.2 or Section 6.7, as of the Acceptance Date and as of the Closing Date. From the Effective Date and until the Closing Date, the Parties shall continue to conduct their respective due diligence review of the matters set forth under this Article IV. As required by Section 6.2, on or before sixty (60) days after the date hereof, the Covia Entities shall deliver to Front Porch the schedules required under this Agreement. In addition,
the Covia Entities shall deliver to Front Porch any supplements or amendments to these representations and warranties as required by **Section 6.7**, which schedules, supplements and amendments shall be acceptable to Front Porch in its sole discretion. Except as set forth in the schedules to be delivered pursuant to **Section 6.2** or as otherwise supplemented or amended by the Parties on or prior to the Closing Date pursuant to **Section 6.7**, the Covia Entities shall be deemed to remake all of the following representations, warranties and covenants as of the Closing Date. References to “Covia” in this **Article IV** shall collectively mean the Covia Entities and their respective subsidiaries.

**Section 4.1 Organization and Power.** With the exception of Oak Centers, L.P., the entities comprising Covia are nonprofit public benefit corporations duly organized, validly existing and in good standing under the Laws of the State of California, with power and authority to conduct the business in which each is engaged, to lease and own the properties leased or owned by it and to enter into and perform their respective obligations under this Agreement. Group is the sole corporate member of Communities and CAC; Communities is the sole corporate member of Covia Foundation; and CAC is the sole corporate member of Presidio Gate Apartments, Jennings Senior Housing, Shires Memorial Center, Community Housing, Inc., Lytton IV Housing Corp., Bethany Center Senior Housing and Oak Center Towers. Covia is exempt from the payment of federal income taxes under Section 501(c)(3) of the Code as an organization described in Section 509(a)(2) or (3) of the Code. There is no actual, or to Covia’s knowledge, threatened challenge to the tax-exempt status of any of the entities comprising Covia. All of the Covia Entities’ subsidiaries are set forth on **Schedule 4.1**. As of the Closing Date, none of Group, Communities, CAC or Covia Foundation is a Diocesan Institution of the Episcopal Church in the Diocese of California.

**Section 4.2 Authorization.** The execution and delivery of this Agreement and the Covia Closing Documents by the Covia Entities, and the performance by the Covia Entities of their obligations under this Agreement and the Covia Closing Documents have been duly authorized by all necessary corporate action (including any necessary approval by the Covia Entities Boards) on the part of the Covia Entities. This Agreement and the Covia Closing Documents have been or will be duly executed and delivered by the Covia Entities. The Covia Entities specifically disclaim any representation that the contemplated corporate reorganization and the removal or amendment of any of the Church prerogatives set forth in the Sponsorship Agreement between the Episcopal Church in the Diocese of California (and related church entities) and the Episcopal Homes Foundation, dated May 1, 2005, is or will be consented to, approved by, or will not be challenged or blocked by the Diocese, Bishop or related Church entities; provided, however, the Covia Entities do make the representation in the last sentence of **Section 4.4**.

**Section 4.3 No Violation.** This Agreement is, and the Covia Closing Documents will be, the lawful, valid and legally binding obligations of the Covia Entities, enforceable in accordance with their respective terms. The execution and delivery of this Agreement and the Covia Closing Documents by the Covia Entities, and the consummation by the Covia Entities of the contemplated transactions will not, with or without the giving of notice and/or the passage of time: (a) violate or conflict with the governing documents, of any entity comprising the Covia Entities, (b) conflict with or result in the breach or violation of any of the terms or conditions of, or create rights of acceleration or constitute a default under, any indenture, mortgage, deed of trust, instrument, contract or other agreement to which any of the Covia Entities is a party or by which any of the Covia Entities is bound, or result in the creation or imposition of any lien, charge or encumbrance upon any of the rights, claims, property and assets, real, personal or mixed, tangible and intangible, of every kind and description whatsoever and wherever located, owned, leased or held by the Covia Entities and related to the operation of the Covia Facilities and any other business or businesses conducted by the Covia Entities (collectively, the “Covia Assets”), (c) violate any Laws to which any of the Covia Entities is subject, or (d) violate or conflict with any judgment, writ, decree, franchise, order, license or permit applicable to the Covia Entities.
Section 4.4  **Consents.**  **Schedule 4.4** sets forth each consent, approval, permit, waiver, license, authorization or action of any third party or governmental body that is required in connection with the execution, delivery and performance of this Agreement by the Covia Entities. The Affiliation does not require the consent of the Diocese, Bishop or any related Church entity.

Section 4.5  **Covia Real Property.**

(a) For purposes of this Agreement, “Covia Real Property” means all of the real property, whether owned, under contract to acquire or leased by Covia and used in, or necessary or intended for, the operation of the Covia Facilities and any other business or businesses conducted by Covia, all of which is more particularly described in **Schedule 4.5(a)**, including, without limitation, all buildings, structures, improvements, construction in progress and fixtures (collectively, the “Covia Improvements”) of every kind and nature now or hereafter located on the Covia Real Property (the Covia Real Property and the Covia Improvements are hereinafter collectively referred to as the “Covia Premises”), together with (1) all options, including options to purchase and renew, or other rights thereunder; (2) all right, title and interest of Covia in and to any land in any adjacent streets, alleys, easements and rights-of-way; (3) all tenements, hereditaments, easements, privileges and appurtenances belonging to the Covia Premises or any portion thereof, including without limitation all titles, estates, interests, licenses, agreements, air rights, water and canal rights, mineral rights, and all other rights at any time acquired by Covia in and to any of the foregoing; and (4) all right, title and interest of Covia in and to all leases, subleases, licenses, tenancies, agreements, contracts or grants of right made by Covia or at any time granted or acquired by Covia with respect to the Covia Premises or any portion thereof.

(b) At or prior to the Closing, and except for the Covia Premises that are leased by Covia, Covia shall have good and marketable fee simple title to the Covia Premises. **Schedule 4.5(b)** (the “Covia Real Property Permitted Exceptions”) sets forth each Covia Premises that is owned by Covia which is, or as of the Closing Date will be, subject to any security interest, mortgage, pledge, liens, restriction, covenant, charge or encumbrance. There are no purchase contracts, options or other agreements of any kind, oral or written, formal or informal, choate or inchoate, recorded or unrecorded, or claims whereby any person other than Covia will have acquired or will have any basis to assert any right, title or interest in, or right to the possession, use, enjoyment or proceeds of, any part or all of the Covia Premises. A true, correct and complete copy of the documents giving rise to each Covia Real Property Permitted Exception has heretofore been delivered to Front Porch.

(c) **Schedule 4.5(c)** sets forth an accurate and complete list of all leases, subleases, options and commitments, oral or written, affecting any Covia Real Property (the “Covia Real Property Leases”) and any contracts and agreements related to any Covia Real Property that has been financed with tax exempt bond proceeds. Group has provided Front Porch with complete and correct copies of all Covia Real Property Leases.

(d) Covia is not aware of any facts that would adversely affect the possession, use or occupancy of the Covia Premises. Covia has received no notice of any default, offset, counterclaim or defense under any Covia Real Property Lease. Each of the Covia Real Property Leases is in full force and effect and is a valid, binding and enforceable obligation of Covia or the applicable subsidiaries thereof and, to Covia’s knowledge, each of the other parties thereto.

(e) Covia holds all valid and effective Licenses required by applicable Law relating to the operation of the Covia Premises (collectively, the “Covia Licenses”), including without limitation Licenses from the California Department of Public Health and California Department of Social Services, all certificates of occupancy, underwriters’ certificates relating to electrical work, zoning, building, housing, safety, fire and health approvals.
(f) The zoning of each parcel of Covia Real Property permits the presently existing Covia Improvements and the continuation of the business of the Covia Facilities presently being conducted on such parcel, without variances or conditional use permits. Covia has not commenced, nor has Covia received notice of the commencement of, any proceeding that would affect the present zoning classification of any such parcel.

Section 4.6 Covia Personal Property.

(a) Except for the Covia Personal Property that is leased by Covia, Covia has good and marketable title to all of the Personal Property, comprising, located at, or used in or necessary or intended for the operation of or relating to the Covia Facilities and any other business or businesses conducted by Covia, whether or not such Personal Property is attached to the Covia Premises and whether or not such Personal Property is located in the Covia Premises or in transit to the Covia Facilities (collectively, the “Covia Personal Property”) except for the Covia Personal Property that is leased by Covia.

(b) Schedule 4.6 sets forth an accurate and complete list of all leases of Covia Personal Property currently binding on Covia. Group has provided Front Porch with complete and correct copies of such leases to Covia Personal Property.

Section 4.7 Covia Financial Statements.

(a) Attached as Schedule 4.7(a) are copies of the consolidated, audited balance sheet and statements of financial position and cash flows of each of the Covia Entities as of March 31, 2020, March 31, 2019, and March 31, 2018 (collectively referred to as the “Covia Financial Statements”). In addition, Group shall provide to Front Porch, as promptly as each becomes available prior to the Closing Date, separate monthly, quarterly and annual interim financial statements for Group, Communities, Covia Foundation, and each individual nonprofit subsidiary of CAC (the “Covia Interim Financial Statements”) from the Effective Date through the end of the penultimate month prior to the Closing Date. The Covia Financial Statements and Covia Interim Financial Statements referred to in this Section are and will be true, complete and correct in all material respects and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the financial position of the named Covia Entities at the respective dates thereof and the results of their operations and cash flows for the periods indicated. From and after the date of the Covia Interim Financial Statements, the Covia Entities have not (and at Closing shall not have) made any material changes in their respective accounting methods or practices.

(b) Except as accrued on the Covia Financial Statements or Covia Interim Financial Statements or as may be incurred in the ordinary course of business, Covia does not have any material liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise).

Section 4.8 Insurance. Schedule 4.8 sets forth a complete and accurate list and brief description of all insurance policies and self-insurance arrangements currently held by Covia, including, without limitation, to the extent applicable, fire, medical malpractice and professional liability, general liability, casualty and property damage, business interruption, extended coverage, products liability, and workers’ compensation and any and all other kinds of insurance held by Covia related to the Covia Facilities, or any of the Covia Assets. The description of the insurance policies and arrangements provided in Schedule 4.8 shall include a statement specifying the name of the insurer, the amount of coverage and any deductibles, the type of insurance, the amount of the premiums and dates when they are due, the policy numbers, any previously filed or pending claims thereunder, and the expiration date of such policies. True and correct copies of all such insurance policies or arrangements previously have been provided to Front Porch by Group. Such insurance policies are in full force and effect and shall remain in full force and effect.
through the Closing Date, unless such policies have been replaced prior to the Closing Date with new policies with substantially the same or better coverage. Certificates of insurance evidencing such insurance coverages shall be delivered to Front Porch by Group at or prior to the Closing. Covia is not delinquent with respect to any premium payments thereon nor is Covia in default or breach with respect to any provision contained in any such insurance policies. Covia has not failed to give any notice or to present any claim under such policies in a due and timely fashion within three years prior to the Closing Date. Covia has not received or otherwise has knowledge of any notice or request, formal or informal, from any insurance company identifying any defects in the Covia Assets that would adversely affect the insurability of the Covia Assets, canceling or materially amending or materially increasing the annual or other premiums payable under any such policy, or threatening any such cancellation, amendment or increase of premiums. Covia has not been refused any insurance with respect to the Covia Assets to which it has applied for insurance within three years prior to the Closing Date.

Section 4.9  Litigation. Schedule 4.9 identifies all proceedings, claims or demands or legal, administrative, arbitrations or other methods of settling disputes or disagreements, pending or, to Covia’s knowledge, threatened against Covia, the Covia Facilities, or any of such party’s respective properties, businesses or assets, including the Covia Assets (said matters set forth in Schedule 4.9 being collectively referred to herein as “Covia Pending Litigation”). Covia has not received notice of any investigation, threatened or contemplated, by any federal or state governmental body that remains unresolved, involving Covia or the Covia Facilities. No circumstances exist involving the safety aspects of the business and operations of Covia that would cause any obligation to report to any state, local or federal governmental body. None of the Covia Pending Litigation has created a lien or a claim therefor against the Covia Assets. Set forth in Schedule 4.9 is a complete and accurate description of each outstanding order, writ, injunction or decree of any court, arbitrator, or governmental body against or affecting Covia, the Covia Assets or the operation of the Covia Facilities. Group has provided Front Porch with complete and correct copies of all such orders, writs, injunctions and decrees, and will make available upon request, copies of all correspondence, reports, memoranda and files related thereto.

Section 4.10  Licenses and Permits. True and correct copies of the Covia Licenses have been delivered to Front Porch by Group. Covia has all Licenses required by all applicable Laws from all applicable governmental bodies necessary or proper in order to own and/or lease the Covia Assets and to conduct and operate the Covia Facilities and each of its departments as currently operated. To Covia’s knowledge, no notice from any authority with respect to pending or possible revocation, termination, suspension or limitation of any of the Covia Licenses has been issued or given, nor is Covia aware of the proposed or threatened issuance of any such notice. Covia has no reason to believe that such Covia Licenses would not be eligible for renewal upon their expiration. Covia is periodically subject to Licensing Surveys. Group has previously delivered to Front Porch true, correct and complete copies of the Covia Facilities’ Licensing Surveys for the prior three years, as well as any statements of deficiencies and plans of correction in connection with such Licensing Surveys. With respect to any Licensing Surveys from the prior three years, such Licensing Surveys either noted no deficiencies or violations or Covia has remedied, discharged and complied in all material respects with all applicable plans of correction set forth therein, such that there are no violations or deficiencies with respect to any of the Covia Licenses. The most current Licensing Surveys did not require that capital expenditures aggregating in excess of $10,000 be made in order to ensure continued licensure of the Covia Facilities.

Section 4.11  Government Program; Third Party Payors.

(a) The Covia Facilities have historically (and in any event for at least the past three years) received reimbursement under Medicare. Medicaid and other Government Programs, are eligible to receive payment without restriction from Medicare, Medicaid and other Government Programs, are “providers” with valid and current provider agreements and with one or more provider numbers with Medicare,
Medicaid and other Government Programs, and are in material compliance with the conditions of participation in such programs. A true and correct copy of each such provider agreement has been previously delivered to Front Porch by Group. Group has previously delivered to Front Porch true, correct and complete copies of the Covia Facilities’ certification survey reports under Medicare for the prior three years, including any statements of deficiencies and plans of correction set forth therein. The most recent certification survey reports under Medicare did not require that capital expenditures aggregating in excess of $10,000 be made in order to ensure continued participation in Medicare. Covia has reported to the Centers for Medicare and Medicaid Services all material information that is required to be reported regarding the current ownership and operation of the Covia Facilities. The Covia Facilities have not received notice of pending, threatened or possible investigation by, or loss of participation in, Medicare.

(b) **Schedule 4.11(b)** sets forth an accurate, complete and current list of all participation agreements with health maintenance organizations, insurance programs, any other participation agreements with third party payors and all agreements with preferred provider organizations and ACOs with respect to the Covia Facilities. Group has previously delivered to Front Porch true and correct copies of all such agreements listed in **Schedule 4.11(b)**.

(c) All billing practices of Covia with respect to the Covia Facilities, including the Government Programs and private insurance companies, have been in material compliance with all applicable laws, regulations and policies of such Government Programs and third party payors. Since December 31, 2017, (i) Covia has not received written notice that Covia has billed or received any payment or reimbursement that exceeds the amounts permitted by applicable Law or third party payors by more than $10,000 individually, or $100,000 in the aggregate, except to the extent cured or corrected and all penalties or interest discharged in connection with such cure or correction and except for settling allowed amounts in ordinary course of business; (ii) Covia has not received written notice regarding a material violation of or failure to comply with the requirements of a Government Program; and (iii) there is no pending, nor to Covia’s knowledge, any threatened, proceeding or investigation under the Medicare or Medicaid program involving Covia, or any person who is an officer or director of Covia.

(d) There is no dispute between the Covia Facilities or Covia and any governmental body or quasi-governmental authority or the Medicare fiscal intermediary regarding such cost reports other than with respect to adjustments thereto made in the ordinary course of business. Covia has not received any notices that Medicare, Medicaid or any other Government Program has any claims against Covia or the Covia Facilities that could result in offsets against future Covia Facilities accounts receivable above any amounts reserved therefore.

Section 4.12 **Compliance with Law.**

(a) Covia and the Covia Facilities and the operation thereof are in material compliance in all respects with any applicable Laws of any court or federal, state, county, municipal or other governmental body, including all Health Care Laws, and none of Covia, any of the Covia Facilities or any third party service provider acting on behalf of Covia or any of the Covia Facilities has received any notice, written or otherwise, of noncompliance with respect thereto. Covia and the Covia Facilities have implemented policies, procedures and/or programs designed to ensure that its agents and employees are in material compliance with all applicable Laws, including Laws, directives and opinions of governmental authorities relating to advertising, licensing and sales practices. Covia has complied, in all material respects, with all applicable Privacy Laws. To Covia’s knowledge, Covia and its agents and employees have been and continue to be in material compliance with the Privacy Laws. Neither Covia nor any of the Covia Facilities, nor, to Covia’s knowledge, any of its current directors, employees, officers or independent contractors (i) has been convicted of any material violation of any Health Care Laws; (ii) has been threatened overtly in writing to be charged with or has been given written notice of any material violation or default of, any
Health Care Law, including an actual, pending or threatened formal adverse action, as that term is defined in 42 U.S.C. § 1320a-7e(g); (iii) has been excluded or suspended from participation in any federal healthcare programs, as such term is defined in 42 U.S.C. § 1320a-7b(f); or (iv) has been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any governmental authority implementing a federal healthcare program.

(b) To Covia’s knowledge, neither Covia, nor any of its affiliates, nor any member, director, officer or employee of Covia or any of its affiliates, is a party to any contract, lease agreement or other arrangement (including any joint venture or consulting agreement) related to Covia or any of the Covia Assets with any physician, health care facility, hospital, nursing facility, home health agency or other person who is in a position to make or influence referrals to or otherwise generate business for Covia with respect to any of the Covia Assets, to provide services, lease space, lease equipment or engage in any other venture or activity, to the extent that any of the foregoing is prohibited by applicable Laws. All patient records and any other documents required to be maintained by Law by Covia or the Covia Facilities have been maintained by Covia for a period of at least seven years from the date of creation of such document, or if in existence for less than seven years, have been and will be maintained to the Closing Date.

Section 4.13 Employment Obligations. All obligations of Covia with respect to any of Covia’s employees, whether arising by operation of law, by contract, by past custom or otherwise, for salaries, accrued vacation and holiday pay, and other termination benefits, and other forms of compensation payable to such employees in respect of the services rendered by any of them prior to the Closing Date have been or will be paid by Covia either prior to the Closing Date, or within due course thereafter.

Section 4.14 Employment Matters.

(a) To Covia’s knowledge: (i) Covia is in compliance in all material respects with all federal and state Laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and are not engaged in any unfair labor practice; (ii) there is no unfair labor practice complaint against Covia pending before the National Labor Relations Board; (iii) there is no labor strike, dispute, slowdown or stoppage actually pending or, to the knowledge of Covia, threatened against or involving or affecting Covia; (iv) no representation question exists respecting the employees of Covia; (v) no grievance or any arbitration proceeding is pending; (vi) Covia has not experienced any labor stoppage during the last five (5) years; and (vii) Covia is in full compliance with all union contracts and collective bargaining agreements.

(b) No changes in the basis for remuneration of employees of Covia have been made, promised or authorized by Covia since January 1, 2020 except in the ordinary and usual course of business, in accordance with past practices. Covia has no written employment contracts, including any employment contract with any officer, consultant, director or employee; any plan, arrangement or contract providing for options, bonuses, stock purchases, deferred compensation or the like; or any restrictive covenants or agreements with any former employees, officers, consultants or directors of Covia and no agreement of any nature that provides for employment for any particular period of time or that provides any restrictions upon Covia’s right to terminate employment without any post-termination payment obligation, with any person whomsoever relating to the Covia Facilities. Other than in the ordinary course of business or in furtherance of this Affiliation, no binding agreements have been made or entered into between Covia and any employee involved in the Covia Facilities regarding changes in compensation, promotion or any other change in status.

Section 4.15 Tax Returns and Liabilities. Except as set forth in Schedule 4.15, all federal, state, county and other tax returns of every nature (including, without limitation, income, employment, payroll, excise, property, sales and use taxes, unemployment contributions) required to be filed by or on behalf of, or with respect to Covia or the Covia Assets have been duly and timely filed, or will be filed (within the
time periods required by Law) by Covia on or before the Closing Date. Copies of all such tax returns have been provided to Front Porch and are true and correct in all respects. There are no tax liens on any of the Covia Assets and no basis exists for the imposition of any such liens. Covia does not have any dispute with any taxing authority as to taxes of any nature. There is no unassessed tax deficiency proposed or, to Covia’s knowledge, threatened against Covia, and no proceeding or audit of any tax returns of Covia by any governmental body is pending or, to Covia’s knowledge, threatened by any governmental body for assessment, reassessment or collection of any taxes affecting Covia or the Covia Facilities, and its operations.

Section 4.16 Employee Benefit Plans. Schedule 4.16, identifies each current or former Benefit Plan or arrangement covering Covia’s employees or relating to the operations of the Covia Facilities. All contributions and other payments required to be made by Covia to any Benefit Plan, if any, for or on behalf of any employees or former employees of Covia have been made or reserves adequate for such purposes have been set aside therefore in accordance with the terms of each such plan. Front Porch shall have no liability or obligation to Covia, or Covia’s employees in connection with such termination of Covia’s employees from the Benefit Plans.

Section 4.17 Contracts and Commitments.

(a) Schedule 4.17(a) sets forth an accurate and complete list of all of the Contracts relating to the construction, renovation, ownership, servicing, maintenance, occupancy and operation of the Covia Facilities or the Covia Assets or any part thereof (collectively, the “Covia Contracts”) currently in force in the following categories:

(i) food and dining service;
(ii) maintenance and housekeeping services;
(iii) therapy services;
(iv) physician services;
(v) acute care facility services;
(vi) other health provider contracts, including home care and staff registry agreements; and
(vii) collective bargaining agreements.

(b) Group has provided Front Porch with complete and correct copies of all Covia Contracts. Covia has received no notice of any default, offset, counterclaim or defense under any Covia Contract. Each of the Covia Contracts is in full force and effect and is a valid and binding and enforceable against Covia or the applicable subsidiary thereof and, to Covia’s knowledge, each of the other parties thereto.

Section 4.18 Brokers’ and Finders’ Fees. Covia has not entered into any contracts, agreements, arrangements or understandings with any person that could give rise to any claim for a broker’s, finder’s or agent’s fee or commission or other similar payment in connection with the negotiations leading to this Agreement or the consummation of the contemplated transactions.

Section 4.19 Immigration Act. To Covia’s knowledge, Covia is in compliance in all material respects with the terms and provisions of the Immigration Act. For each employee of Covia employed in
the Covia Facilities for whom compliance with the Immigration Act by Covia is required, Covia has obtained and retained a complete and true copy of each such employee’s Form I-9 (Employment Eligibility Verification Form) and all other records or documents prepared, procured or retained by Covia pursuant to the Immigration Act to the extent Covia is required to do so under the Immigration Act. Covia has not been cited, fined, served with a Notice of Intent to Fine or with a Cease and Desist Order (as such terms are defined in the Immigration Act) at the Covia Facilities, nor, to the knowledge of Covia, has any proceeding been initiated or threatened against Covia in connection with the operation of the Covia Facilities, by reason of any actual or alleged failure to comply with the Immigration Act.

Section 4.20 Covia Residence Agreements. Neither Covia nor, to Covia’s knowledge, any Covia Resident is in default under or with respect to, nor is there any dispute under or with respect to, any agreement (each such agreement, a “Covia Residence Agreement”) with any person currently residing at a Covia Facility (each, a “Covia Resident”), except as would not reasonably be expected to be material to Covia. True and complete copies of representative forms of Covia Residence Agreements currently used in each of the Covia Facilities have been made available to Front Porch prior to the date hereof. All Covia Residence Agreements do not vary in any material respect from the forms of the applicable specimen agreements made available to Front Porch, and were entered into on an arms’ length basis.

Section 4.21 Covia Boards of Directors. Schedule 4.21 contains a true and complete list of the current members of the Boards of Directors of each of the Covia Entities immediately prior to the Closing Date.

Section 4.22 No Untrue or Inaccurate Representation or Warranty. The representations and warranties of the Covia Entities contained in this Agreement, and each exhibit, schedule, certificate or other written statement delivered pursuant to this Agreement, or in connection with the contemplated transactions, are accurate, correct and complete, and do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading. Those representations and warranties set forth in this Article IV that are specifically limited to “Covia’s knowledge” shall be based upon the actual knowledge of Group’s Chief Executive Officer, President, Chief Operation Officer, Chief Financial Officer, and Chief Strategy and Organizational Advancement Officer (the “Covia Officers”), after due investigation, and the Covia Entities shall be responsible for all facts which such Covia Officers knew, or should have known as a result of such due investigation. The Covia Officers’ investigation shall consist of an inquiry of the most senior management executive responsible for each of the following disciplines regarding the representations pertinent to those disciplines: Operations, Human Resources, Facilities/Physical Plant, Finance, Medicare Claims, and Information Technology. There is no fact that adversely affects or in the future may, to Covia’s knowledge, adversely affect the ability of the Covia Entities to fully perform this Agreement and the contemplated transactions, that has not been set forth and described in this Agreement or in a certificate, exhibit, schedule or other written statement furnished to Front Porch, pursuant to this Agreement.

Section 4.23 AS IS Affiliation; Representations, Warranties and Covenants of Covia. Front Porch acknowledges that, except as specifically provided in this Agreement, none of the Covia Entities nor any of their employees, agents or representatives has made any representations, warranties or agreements to or with Front Porch on behalf of the Covia Entities as to any matters concerning Covia or the Covia Assets, the present use thereof, or the suitability of Front Porch’s intended use. IT IS UNDERSTOOD AND AGREED THAT EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT, (A) THE COVIA ASSETS ARE BEING ACCEPTED BY FRONT PORCH ON AN “AS IS,” “WHERE IS” AND “WITH ALL FAULTS” BASIS, SUBJECT TO ANY CONDITION WHICH MAY EXIST, AND WITHOUT THE EXISTENCE OF AND WITHOUT RELIANCE UPON ANY REPRESENTATION, WARRANTY, AGREEMENT, OR STATEMENT BY THE COVIA ENTITIES, OR ANYONE ACTING ON BEHALF OF THEM EXCEPT THOSE REPRESENTATIONS, WARRANTIES AND
AGREEMENTS SPECIFICALLY SET FORTH IN THIS AGREEMENT; (B) FRONT PORCH IS BEING GIVEN THE OPPORTUNITY TO THOROUGHLY INSPECT AND EXAMINE COVIA’S ASSETS TO THE EXTENT DEEMED NECESSARY BY FRONT PORCH IN ORDER TO ENABLE FRONT PORCH TO EVALUATE ITS AFFILIATION WITH THE COVIA ENTITIES ON THE FOREGOING BASIS; AND (C) FRONT PORCH IS RELYING SOLELY UPON SUCH INSPECTIONS, EXAMINATION, AND EVALUATION OF THE COVIA ASSETS BY FRONT PORCH IN COMPLETING THE AFFILIATION ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS” BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY THE COVIA ENTITIES OR ANYONE ACTING ON BEHALF OF THEM, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, EXCEPT AS MAY BE SET FORTH IN THIS AGREEMENT.

ARTICLE V
COVENANTS OF FRONT PORCH

Front Porch, as indicated below, shall keep, perform and fully discharge the following covenants, unless Group consents otherwise in writing. Group may grant or withhold any such consent requested by Front Porch in Group’s sole discretion:

Section 5.1 Access and Investigation. During the period between the Effective Date and the Closing Date, and upon five business days advance notice received from Group, Front Porch shall (a) afford Group and its representatives and prospective lenders and their representatives (collectively, “Covia Parties”) full and free access, during regular business hours, to Front Porch’s personnel, properties, Front Porch Contracts, Front Porch Leases, Front Porch Licenses, books and records and other documents and data, such rights of access to be exercised in a manner that does not unreasonably interfere with the operations of Front Porch; (b) furnish Covia Parties with copies of all such Front Porch Contracts, Front Porch Leases, Front Porch Licenses, books and records and other existing documents and data as Group may reasonably request and in Front Porch’s possession; (c) furnish Covia Parties with such additional financial, operating and other relevant data and information as Group may reasonably request and in Front Porch’s possession; and (d) otherwise cooperate and assist, to the extent reasonably requested by Group, with Group’s investigation of the properties, assets and financial condition related to Front Porch. In addition, Group shall have the right to have the Front Porch Real Property and Front Porch Personal Property inspected by Covia Parties, at Group’s sole cost and expense, for purposes of determining the physical condition and legal characteristics of the Front Porch Real Property and Front Porch Personal Property. Group shall reimburse Front Porch for any damage caused to Front Porch’s property by such inspection.

Section 5.2 Schedules and Exhibits.

(a) Notwithstanding anything to the contrary contained herein, this Agreement has been executed without any of the schedules or exhibits being completed by the Parties. No later than 60 days after the date hereof, Front Porch shall prepare and submit to Group a draft of each applicable schedule and exhibit to this Agreement. Group shall have fifteen days after the date of receipt of such schedules and exhibits to review and approve them in its sole subjective discretion. If Group approves of such schedules and exhibits prior to such deadline, then this Agreement shall be deemed to be supplemented by such schedules and exhibits as of the date that is 75 days after the date hereof (the “Acceptance Date”). If Group does not approve of such schedules and exhibits, then Group shall be deemed to have elected to terminate this Agreement pursuant to Section 10.1(a)(v).

(b) The schedules shall be arranged in sections and subsections or clauses corresponding to the applicable provisions of Article III. The information and disclosures contained in any schedule corresponding to a section in Article III shall be deemed to be disclosed and incorporated by reference in any other schedule corresponding to a Section in Article III as though fully set forth in such schedule for
which applicability of such information and disclosure is reasonably apparent on its face. The fact that any item of information is disclosed in any schedule shall not be construed to be an admission by any Party to any third party of any liability or obligation with respect thereto or to mean that such information is material or immaterial, within or outside of the ordinary course of business, or required to be disclosed by this Agreement.

Section 5.3 Front Porch’s Pre-Closing Activities.

(a) From the Effective Date to the Closing Date, Front Porch will carry on its business in the ordinary course consistent with past practice and comply with all applicable Laws in all material respects, and, to the extent consistent therewith, use its commercially reasonable efforts to preserve intact its current business organizations, keep available the services of its current officers, employees and consultants and preserve its relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with it with the intention that its goodwill and ongoing business shall not be materially impaired after the Effective Date.

(b) During the period from the Effective Date to the Closing Date, Front Porch will consult with Group prior to entering into any agreement, amending any agreement, or taking any other action that may materially impact Front Porch’s financial condition, including any renewal, extension or amendment of Front Porch Leases or Front Porch Contracts, other than on commercially reasonable terms, or recognition of any union or labor organization as the exclusive representative of any employees.

(c) Without limiting the generality of the foregoing, during the period from the Effective Date to the Closing Date, Front Porch shall not, without Group’s prior written consent:

(i) amend its governing documents except as otherwise provided herein;

(ii) directly or indirectly acquire (A) by merging or consolidating with, or by purchasing all of or a substantial equity interest in, or by any other manner, any division, business or equity interest of any person or (B) any assets forming part of such a division or business;

(iii) sell, lease, license, mortgage, or sell and leaseback, or otherwise dispose of any of its properties or other assets with a fair market value in excess of $1,000,000 individually or $2,000,000 in the aggregate to a third party;

(iv) modify, adopt or enter into any collective bargaining agreement or other labor union contract or recognize any union or labor organization as the exclusive representation of any employees.

Section 5.4 Front Porch’s Best Efforts. Front Porch covenants and agrees to use its best and most diligent efforts to cause all of its covenants and agreements and all conditions precedent to the Covia Entities’ and Front Porch’s obligations to close hereunder to be performed, satisfied and fulfilled.

Section 5.5 Required Approvals.

(a) As promptly as practicable after the date of this Agreement, Front Porch shall make all filings required by Law to be made by it in order to consummate the contemplated transactions; provided, however, that Group shall initiate and take the lead on behalf of Front Porch and the Covia Entities in seeking approval from the California Attorney General, California Department of Public Health, California Department of Social Services, and the Centers for Medicare and Medicaid Services. Front Porch shall cooperate with Group and its representatives with respect to all filings that Group elects to make or by Law
shall be required to make in connection with the contemplated transactions. Front Porch shall cooperate with Group and its representatives in obtaining all Covia Material Consents (as defined in Section 7.7 below). Without limiting the generality of the previous sentence, Front Porch shall (i) use reasonable best efforts to obtain from all governmental bodies all consents, approvals, clearances, expiration or termination of waiting periods, authorizations, qualifications and orders as are necessary for the consummation of the transactions contemplated by this Agreement; (ii) promptly (and in any event within ten business days following the date hereof) make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), or any other applicable Law; (iii) use reasonable best efforts to comply at the earliest practicable date with any request under the HSR Act for additional information, documents or other materials received by Front Porch or any of its subsidiaries from the Federal Trade Commission, the Antitrust Division of the United States Department of Justice or any other governmental body in respect of such filings (collectively, an “Antitrust Authority”); (iv) cooperate with Group in connection with any such filing or request (including, to the extent permitted by applicable Law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any of the Antitrust Authorities under the HSR Act with respect to any such filing; (v) not extend any waiting period under the HSR Act or enter into any agreement with an Antitrust Authority not to consummate the transactions contemplated hereby; (vi) defend and resolve any investigation or other inquiry of any governmental body under all applicable Laws, including by defending against and contesting administratively and in court any litigation or adverse determination initiated or made by a governmental body under applicable Law.

(b) Front Porch shall promptly notify Group of any material communication it or any of its affiliates receive from any governmental body relating to the matters that are the subject of this Agreement and permit Group to review in advance any proposed communication by Front Porch to any governmental body. Front Porch shall not agree to participate in any meeting with any governmental body in respect of any filings, investigation or other inquiry unless it consults with Group in advance and, to the extent permitted by such governmental body, gives Group the opportunity to attend and participate at such meeting. Front Porch will coordinate and cooperate fully with Group in exchanging such information and providing such assistance as Group may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods, including under the HSR Act. Subject to applicable Law, Front Porch will provide Group with copies of all correspondence, filings or communications between it or any of its representatives, on the one hand, and any governmental body or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated hereby.

Section 5.6 Notification. Between the Acceptance Date and the Closing, Front Porch shall promptly notify Group in writing if it becomes aware of (a) any fact or condition that causes or constitutes a breach of any of Front Porch’s representations and warranties as of the Acceptance Date or (b) the occurrence after the Acceptance Date of any fact or condition that would or be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or Front Porch’s discovery of, such fact or condition. Should any such fact or condition require any change to any of the schedules attached hereto, Front Porch shall promptly deliver to Group a supplement to such schedule specifying such change. During the same period, Front Porch also shall promptly notify Group of the occurrence of any breach of any covenant of Front Porch in Article V or of the occurrence of any event that may make the satisfaction of the conditions in Article VIII impossible or unlikely. Any supplement shall not be taken into account for purposes of determining if the closing condition set forth in Section 8.2 has been satisfied or of Group’s right to terminate pursuant to Section 10.1(a)(iv) unless such supplement has been approved by Group in its sole discretion.
Section 5.7  No Negotiation. Until such time as this Agreement shall be terminated, Front Porch shall not directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to or consider the merits of any inquiries or proposals from any person (other than the Covia Entities) relating to any business combination transaction involving Front Porch, including a merger or consolidation of Front Porch or the sale of Front Porch’s business or any of the Front Porch Assets (other than in the ordinary course of business). Front Porch shall notify Group of any such inquiry or proposal within twenty-four (24) hours of receipt or awareness of the same by Front Porch.

ARTICLE VI
COVENANTS OF THE COVIA ENTITIES

The Covia Entities shall keep, perform and fully discharge the following covenants, unless Front Porch consents otherwise in writing. Front Porch may grant or withhold any such consent requested by the Covia Entities in Front Porch’s sole discretion:

Section 6.1  Access and Investigation. During the period between the Effective Date and the Closing Date, and upon five business days advance notice received from Front Porch, the Covia Entities shall (a) afford Front Porch and its representatives and prospective lenders and their representatives (collectively, “Front Porch Parties”) full and free access, during regular business hours, to the Covia Entities’ personnel, properties, Covia Contracts, Covia Leases, Covia Licenses, books and records and other documents and data, such rights of access to be exercised in a manner that does not unreasonably interfere with the operations of the Covia Entities; (b) furnish Front Porch Parties with copies of all such Covia Contracts, Covia Leases, Covia Licenses, books and records and other existing documents and data as Front Porch may reasonably request; (c) furnish Front Porch Parties with such additional financial, operating and other relevant data and information as Front Porch may reasonably request; and (d) otherwise cooperate and assist, to the extent reasonably requested by Front Porch, with Front Porch’s investigation of the properties, assets and financial condition related to the Covia Entities. In addition, Front Porch shall have the right to have the Covia Real Property and Covia Personal Property inspected by Front Porch, at Front Porch’s sole cost and expense, for purposes of determining the physical condition and legal characteristics of the Covia Real Property and Covia Personal Property.

Section 6.2  Schedules and Exhibits.

(a) Notwithstanding anything to the contrary contained herein, this Agreement has been executed without any of the schedules or exhibits being completed by the Parties. No later than 60 days after the date hereof, the Covia Entities shall prepare and submit to Front Porch a draft of each applicable schedule and exhibit to this Agreement. Front Porch shall have fifteen days after the date of receipt of such schedules and exhibits to review and approve them in its sole subjective discretion. If Front Porch approves of such schedules and exhibits prior to such deadline, then this Agreement shall be deemed to be supplemented by such schedules and exhibits as of the Acceptance Date. If Front Porch does not approve of such schedules and exhibits, then Front Porch shall be deemed to have elected to terminate this Agreement pursuant to Section 10.1(b)(v).

(b) The schedules shall be arranged in sections and subsections or clauses corresponding to the applicable provisions of Article IV. The information and disclosures contained in any schedule corresponding to a section in Article IV shall be deemed to be disclosed and incorporated by reference in any other schedule corresponding to a Section in Article IV as though fully set forth in such schedule for which applicability of such information and disclosure is reasonably apparent on its face. The fact that any item of information is disclosed in any schedule shall not be construed to be an admission by any Party to any third party of any liability or obligation with respect thereto or to mean that such information is material.
or immaterial, within or outside of the ordinary course of business, or required to be disclosed by this Agreement.

Section 6.3 The Covia Entities Pre-Closing Activities.

(a) From the Effective Date to the Closing Date, the Covia Entities will carry on their business in the ordinary course consistent with past practice and comply with all applicable Laws in all material respects, and, to the extent consistent therewith, use their commercially reasonable efforts to preserve intact their current business organizations, keep available the services of their current officers, employees and consultants and preserve their relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with them with the intention that their goodwill and ongoing business shall not be materially impaired after the Closing Date.

(b) During the period from the Effective Date to the Closing Date, the Covia Entities will consult with Front Porch prior to entering into any agreement, amending any agreement, or taking any other action that may materially impact the Covia Entities’ financial condition, including any renewal, extension or amendment of Covia Leases or Covia Contracts, other than on commercially reasonable terms, or recognition of any union or labor organization as the exclusive representative of any employees.

(c) Without limiting the generality of the foregoing, during the period from the Effective Date to the Closing Date, the Covia Entities shall not, without Front Porch’s prior written consent:

   (i) amend their governing documents except as otherwise provided herein;

   (ii) directly or indirectly acquire (A) by merging or consolidating with, or by purchasing all of or a substantial equity interest in, or by any other manner, any division, business or equity interest of any person or (B) any assets forming part of such a division or business;

   (iii) sell, lease, license, mortgage, or sell and leaseback, or otherwise dispose of any of their properties or other assets with a fair market value in excess of $1,000,000 individually or $2,000,000 in the aggregate to a third party;

   (iv) modify, adopt or enter into any collective bargaining agreement or other labor union contract or recognize any union or labor organization as the exclusive representation of any employees.

(d) Notwithstanding the foregoing, prior to the Closing Date, the Covia Entities intend to enter into retention agreements with certain key executives. The Covia Entities agree that they will consult with Front Porch on the terms and conditions of such agreements prior to entering into them.

Section 6.4 The Covia Entities’ Best Efforts. The Covia Entities covenant and agree to use their best and most diligent efforts to cause all of their covenants and agreements and all conditions precedent to Front Porch’s and the Covia Entities’ obligations to close hereunder to be performed, satisfied and fulfilled.

Section 6.5 Managed Care Contracts. The Covia Entities agree to use their best efforts to assist Front Porch in causing the Covia Entities to maintain, after the Closing Date, the various managed care contracts in which the Covia Facilities now participate.
Section 6.6  Required Approvals.

(a) As promptly as practicable after the date of this Agreement, the Covia Entities shall make all filings required by Law to be made by them in order to consummate the contemplated transactions. The Covia Entities shall cooperate with Front Porch and its representatives with respect to all filings that Front Porch elects to make or by Law shall be required to make in connection with the contemplated transactions. The Covia Entities shall cooperate with Front Porch and its representatives in obtaining all Front Porch Material Consents (as defined in Section 8.7 below). Without limiting the generality of the previous sentence, the Covia Entities shall (i) use reasonable best efforts to obtain from all governmental bodies all consents, approvals, clearances, expiration or termination of waiting periods, authorizations, qualifications and orders as are necessary for the consummation of the transactions contemplated by this Agreement; provided, however, that Front Porch shall take the lead on behalf of Front Porch and the Covia Entities with respect to obtaining approvals under the HSR Act; (ii) promptly make any other required submissions, with respect to this Agreement required under the HSR Act, or any other applicable Law; (iii) use reasonable best efforts to comply at the earliest practicable date with any request under the HSR Act for additional information, documents or other materials received by the Covia Entities or any of their subsidiaries from an Antitrust Authority; (iv) cooperate with Front Porch in connection with any such filing or request (including, to the extent permitted by applicable Law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any of the Antitrust Authorities under the HSR Act with respect to any such filing; (v) not extend any waiting period under the HSR Act or enter into any agreement with an Antitrust Authority not to consummate the transactions contemplated hereby; (vi) defend and resolve any investigation or other inquiry of any governmental body under all applicable Laws, including by defending against and contesting administratively and in court any litigation or adverse determination initiated or made by a governmental body under applicable Law.

(b) The Covia Entities shall promptly notify Front Porch of any material communication they or any of their affiliates receive from any governmental body relating to the matters that are the subject of this Agreement and permit Front Porch to review in advance any proposed communication by the Covia Entities to any governmental body. The Covia Entities shall not agree to participate in any meeting with any governmental body in respect of any filings, investigation or other inquiry unless they consult with Front Porch in advance and, to the extent permitted by such governmental body, give Front Porch the opportunity to attend and participate at such meeting. The Covia Entities will coordinate and cooperate fully with Front Porch in exchanging such information and providing such assistance as Front Porch may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods, including under the HSR Act. Subject to applicable Law, the Covia Entities will provide Front Porch with copies of all correspondence, filings or communications between them or any of their representatives, on the one hand, and any governmental body or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated hereby.

Section 6.7  Notification. Between the Acceptance Date and the Closing, the Covia Entities shall promptly notify Front Porch in writing if they become aware of (a) any fact or condition that causes or constitutes a breach of any of the Covia Entities’ representations and warranties as of the Acceptance Date or (b) the occurrence after the Acceptance Date of any fact or condition that would or be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or the Covia Entities’ discovery of, such fact or condition. Should any such fact or condition require any change to any of the schedules attached hereto, the Covia Entities shall promptly deliver to Front Porch a supplement to such schedule specifying such change. During the same period, the Covia Entities also shall promptly notify Front Porch of the occurrence of any breach of any covenant of the Covia Entities in
Article IV and VI or of the occurrence of any event that may make the satisfaction of the conditions in Article VII impossible or unlikely. Any supplement shall not be taken into account for purposes either of determining if the closing condition set forth in Section 7.2 has been satisfied or of Front Porch’s right to terminate pursuant to Section 10.1(b)(iv) unless such supplement has been approved in writing by Front Porch in its sole discretion.

Section 6.8 No Negotiation. Until such time as this Agreement shall be terminated, the Covia Entities shall not directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to or consider the merits of any inquiries or proposals from any person (other than Front Porch) relating to any business combination transaction involving the Covia Entities, including a merger or consolidation of the Covia Entities or the sale of the Covia Entities’ business or any of the Covia Assets (other than in the ordinary course of business). The Covia Entities shall notify Front Porch of any such inquiry or proposal within twenty-four (24) hours of receipt or awareness of the same by the Covia Entities.

ARTICLE VII
CONDITIONS PRECEDENT TO OBLIGATIONS OF FRONT PORCH

The obligations of Front Porch hereunder are, at the option of Front Porch, subject to the satisfaction, on or prior to the Closing Date, of all of the following conditions unless waived in writing by Front Porch:

Section 7.1 Assurance of Facility License. Front Porch shall have received assurances satisfactory to Front Porch and its counsel from the California Department of Public Health and Department of Social Services, that Front Porch shall maintain the right to continue to operate the Front Porch Facilities and that the Covia Entities shall maintain the right to continue to operate the Covia Facilities.

Section 7.2 Representations/Warranties. The representations and warranties of the Covia Entities contained in this Agreement shall be true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, in which case such representations and warranties shall be true and correct in all respects) as of the Acceptance Date and on and as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date.

Section 7.3 Compliance with Covenants. The Covia Entities shall have, in all material respects, performed each of the obligations and agreements and complied with each of the covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing.

Section 7.4 Governmental Approvals. All governmental approvals listed on Schedule 7.4 necessary for the consummation of the transactions described herein, including the consent of the California Attorney General, shall have been obtained.

Section 7.5 Action/Proceeding. No proceeding shall have been instituted or threatened to restrain or prohibit the contemplated transactions, and no governmental body shall have taken any other action or made any request of Front Porch or the Covia Entities as a result of which Front Porch reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.

Section 7.6 Closing Documents. The Covia Entities shall have executed and delivered to Front Porch at Closing all of the documents, agreements and certificates required to be executed or delivered by the Covia Entities pursuant to any term or provision of this Agreement, including without limitation:

(a) The Covia Closing Documents;
(b) A certificate or other document in a form satisfactory to Front Porch from ABAG Finance Authority for Nonprofit Corporations (“ABAG”) certifying that the Covia Entities shall continue to satisfy and meet the various tests and conditions of their outstanding tax-exempt issues with ABAG after the Closing of the contemplated transactions of this Agreement;

(c) The written consent of each trustee or bank of the Covia Entities’ outstanding tax-exempt issues whose consent is required with respect to the Covia Entities’ execution and delivery of this Agreement and the consummation of the transactions contemplated thereby;

(d) A certificate dated as of a date not earlier than the third business day prior to the Closing as to the payment of all applicable state taxes by the Covia Entities, executed by the appropriate officials of the State of California; and

(e) Such other documents as Front Porch may reasonably request for the purpose of:

   (i) evidencing the satisfaction of any condition referred to in this Article VII; or

   (ii) otherwise facilitating the consummation or performance of any of the contemplated transactions.

Section 7.7 Consents. Each of the consents identified in Schedule 7.7 (the “Covia Material Consents”) shall have been obtained and shall be in full force and effect.

Section 7.8 Due Diligence. Front Porch shall have performed a comprehensive inspection and due diligence review of the Covia Entities and the Covia Assets and shall have determined, in its sole discretion, that the Covia Entities business and the Covia Assets are acceptable to Front Porch. Front Porch shall be satisfied in its sole subjective discretion as to the completeness of the disclosure schedules of the Covia Entities.

Section 7.9 No Material Adverse Change. There shall not have been a material adverse change in the Covia Entities, the Covia Assets or the Covia business or operations.

Section 7.10 Supplements or Amendments to the Representations and Warranties. Front Porch’s obligation to close this Agreement is contingent upon Front Porch’s approval, in its sole subjective discretion, of the representations and warranties set forth under Article IV of this Agreement as such representations and warranties have been supplemented or amended pursuant to the schedules to be delivered pursuant to Section 6.2. Notwithstanding anything to the contrary herein, Front Porch shall not be required to close this Agreement if it fails to consent to the supplements or amendments to the representations and warranties under Article IV pursuant to the schedules required to be provided pursuant to Section 6.2.

Section 7.11 Finalization of Schedules and Exhibits. The schedules and exhibits have not been attached to this Agreement at the time of its signing. Instead, the text of those schedules and exhibits shall be agreed upon between the Parties prior to the Closing as set forth in Section 6.2. Front Porch shall be satisfied, in its sole subjective discretion, with the text of each of these schedules and exhibits.

Section 7.12 Filing of Amended Articles. Each of the Amended Group Articles, the Amended Communities Articles, the Amended CAC Articles and the Amended Covia Foundation Articles shall have been duly authorized, executed and filed with and accepted by the Secretary of State of the State of California.
ARTICLE VIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COVIA ENTITIES

The obligations of the Covia Entities hereunder are, at its option, subject to the satisfaction, on or prior to the Closing Date, of all of the following conditions unless waived in writing by the Covia Entities:

Section 8.1 Assurance of Facility License. Group shall have received assurances satisfactory to Group and its counsel from the California Department of Public Health and Department of Social Services, that the Covia Entities shall maintain the right to continue to operate the Covia Facilities and that Front Porch shall maintain the right to continue to operate the Front Porch Facilities.

Section 8.2 Representations/Warranties. The representations and warranties of Front Porch contained in this Agreement shall be true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, in which case such representations and warranties shall be true and correct in all respects) as of the Acceptance Date and on and as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date.

Section 8.3 Compliance with Covenants. Front Porch shall have, in all material respects, performed each of the obligations and agreements and complied with each of the covenants and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

Section 8.4 Governmental Approvals. All governmental approvals listed on Schedule 7.4 necessary for the consummation of the transactions described herein, including the consent of the California Attorney General, shall have been obtained.

Section 8.5 Action/Proceeding. No proceeding shall have been instituted or threatened to restrain or prohibit the contemplated transactions, and no governmental body shall have taken any other action or made any request of the Covia Entities or Front Porch as a result of which the Covia Entities reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.

Section 8.6 Closing Documents. Front Porch shall have executed and delivered to Group at the Closing all of the documents, agreements and certificates required to be executed or delivered by Front Porch pursuant to any term or provision of this Agreement, including without limitation:

(a)  The Front Porch Closing Documents;

(b)  Such other documents as Group may reasonably request for the purpose of:

(i)  evidencing the satisfaction of any condition referred to in this Article VIII; or

(ii)  otherwise facilitating the consummation or performance of any of the contemplated transactions.

Section 8.7 Consents. Each of the consents identified in Schedule 8.7 (the “Front Porch Material Consents”) shall have been obtained and shall be in full force and effect.

Section 8.8 Due Diligence. Group shall have performed a comprehensive inspection and due diligence review of Front Porch and the Front Porch Assets and shall have determined, in its sole discretion, that the Front Porch business and the Front Porch Assets are acceptable to Group. Group shall be satisfied in its sole subjective discretion as to the completeness of the disclosure schedules of Front Porch.
Section 8.9  No Material Adverse Change. There shall not have been a material adverse change in the Front Porch Assets or the Front Porch business or operations.

Section 8.10  Supplements or Amendments to the Representations and Warranties. The Covia Entities’ obligation to close this Agreement is contingent upon Group’s approval, in its sole subjective discretion, of the representations and warranties set forth under Article III of this Agreement, as such representations and warranties have been supplemented or amended pursuant to the schedules to be delivered pursuant to Section 5.2. Notwithstanding anything to the contrary herein, the Covia Entities shall not be required to close this Agreement if it fails to consent to the supplements or amendments to the representations and warranties under Article III pursuant to the schedules to be delivered pursuant to Section 5.2.

Section 8.11  Finalization of Schedules and Exhibits. The schedules and exhibits have not been attached to this Agreement at the time of its signing. Instead, the text of those schedules and exhibits shall be agreed upon between the Parties prior to Closing as set forth in Section 5.2. Group shall be satisfied, in its sole subjective discretion, with the text of each of these schedules and exhibits.

ARTICLE IX
POST-CLOSING COVENANTS

Section 9.1  Further Assurances. The Parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the contemplated transactions.

ARTICLE X
TERMINATION

Section 10.1  Termination. This Agreement and the obligations of the Parties hereunder may be terminated on or prior to the Closing Date, as follows:

(a) By Group (i) in the event that the contemplated transactions have been prohibited or enjoined by reason of any final judgment, decree or order entered or issued by a court of competent jurisdiction in any proceeding involving any of the Covia Entities or Front Porch; (ii) in the event the Closing shall have not occurred prior to April 1, 2021 (the “Outside Date”) provided that the Covia Entities are not then in material breach of this Agreement that is the cause of the failure of the Closing to occur prior to such date; (iii) in the event of material damage or destruction to the Front Porch Assets, a public taking of the Front Porch Assets, or a material adverse change in the value of the Front Porch Assets prior to Closing; (iv) Front Porch breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement (without reference to any update or supplement to the schedules provided pursuant to Section 5.6 unless such update or supplement is approved by Group in its sole discretion) and such breach or failure to perform (1) would give rise to the failure of a condition set forth in Section 8.2 or Section 8.3 and (2) cannot be or has not been cured in all material respects before the earlier to occur of (A) 15 days following delivery of written notice of such breach or failure to perform and (B) one (1) day prior to the Outside Date; or (v) in the event Group does not approve of Front Porch’s schedules and exhibits pursuant to Section 5.2;

(b) By Front Porch (i) in the event that the contemplated transactions have been prohibited or enjoined by reason of any final judgment, decree or order entered or issued by a court of competent
jurisdiction in any proceeding involving either any of the Covia Entities or Front Porch; (ii) in the event the Closing shall have not occurred prior to the Outside Date provided that Front Porch is not then in material breach of this Agreement that is the cause of the failure of the Closing to occur prior to such date; (iii) in the event of material damage or destruction to the Covia Assets, a public taking of the Covia Assets, or a material adverse change in the value of the Covia Assets prior to Closing; (iv) the Covia Entities breach or fail to perform in any respect any of their representations, warranties or covenants contained in this Agreement (without reference to any update or supplement to the schedules provided pursuant to Section 6.7 unless such update or supplement is approved by Front Porch in its sole discretion) and such breach or failure to perform (1) would give rise to the failure of a condition set forth in Section 7.2 or Section 7.3 and (2) cannot be or has not been cured in all material respects before the earlier to occur of (A) 15 days following delivery of written notice of such breach or failure to perform and (B) one (1) day prior to the Outside Date; or (v) in the event Front Porch does not approve of the Covia Entities’ schedules and exhibits pursuant to Section 6.2; or

(c)    By Front Porch and Group by mutual agreement.

Section 10.2 Effect of Termination. Each party’s right of termination under Section 10.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of such right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties under this Agreement will terminate, except that the obligations of the Parties in this Section 10.2 and Article XII will survive, provided, however, that, if this Agreement is terminated because of a breach of this Agreement by the nonterminating party or because one or more of the conditions to the terminating party’s obligations under this Agreement is not satisfied as a result of the non-terminating party’s failure to comply with its obligations under this Agreement, the terminating party’s right to pursue all legal remedies will survive such termination unimpared.

ARTICLE XI
AMENDMENT OF AGREEMENT; WAIVER

Section 11.1 Amendment. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each Party.

Section 11.2 Waiver. No failure or delay of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Any agreement on the part of either Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such Party making such waiver.

ARTICLE XII
CONFIDENTIALITY

Section 12.1 Confidential Information of Front Porch. The Covia Entities acknowledge that in connection with the contemplated transactions, the Covia Entities have received and may continue to receive information of a confidential and proprietary nature regarding Front Porch, including, without limitation, business plans, strategic plans, and other financial information and information concerning its activities, business, assets and properties (“Front Porch Confidential Information”). The Covia Entities acknowledge that Front Porch would be irreparably damaged if such Front Porch Confidential Information were disclosed to or utilized by any person to the detriment of Front Porch. Further, the Covia Entities acknowledge that Front Porch would be irreparably damaged if confidential information regarding the Front Porch Facilities
were disclosed ("Front Porch Facilities Confidential Information"). Therefore, the Covia Entities shall not, at any time, directly or indirectly, without the prior written consent of Front Porch, disclose, make use of or divulge, or permit any of their respective affiliates, directors, officers, employees or agents to disclose, make use of or divulge, to any person (i) any Front Porch Confidential Information at any time, and (ii) any Front Porch Facilities Confidential Information at any time, except for such disclosure as may be required by law. Notwithstanding any other provision herein to the contrary, the covenants set forth in this Section 12.1 shall survive the Closing, and if this transaction does not close it will survive the termination of this Agreement. For purposes of this Section 12.1, “Front Porch Confidential Information” and “Front Porch Facilities Confidential Information” shall not include information which is now, or becomes, generally available to the public by any persons other than a person disclosing information in violation of this Section 12.1.

Section 12.2  Confidential Information of the Covia Entities. Front Porch acknowledges that in connection with the contemplated transactions, Front Porch has received and may continue to receive information of a confidential and proprietary nature regarding the Covia Entities, including, without limitation, business plans, strategic plans, and other financial information and information concerning its activities, business, assets and properties ("Covia Confidential Information"). Front Porch acknowledges that the Covia Entities would be irreparably damaged if such Covia Confidential Information were disclosed to or utilized by any person to the detriment of the Covia Entities. Further, Front Porch acknowledges that the Covia Entities would be irreparably damaged if confidential information regarding the Covia Facilities were disclosed following the Closing ("Covia Facilities Confidential Information"). Therefore, Front Porch shall not, at any time, directly or indirectly, without the prior written consent of the Covia Entities, disclose, make use of or divulge, or permit any of their respective affiliates, directors, officers, employees or agents to disclose, make use of or divulge, to any person (i) any Covia Confidential Information at any time, and (ii) any Covia Facilities Confidential Information at any time following the Closing, except for such disclosure as may be required by Law. Notwithstanding any other provision herein to the contrary, the covenants set forth in this Section 12.2 shall survive the Closing, and if this transaction does not close it will survive the termination of this Agreement. For purposes of this Section 12.2, “Covia Confidential Information” and “Covia Facilities Confidential Information” shall not include information which is now, or becomes, generally available to the public by any persons other than a person disclosing information in violation of this Section 12.2.

ARTICLE XIII
PAYMENT OF EXPENSES

Legal, accounting and other expenses incident to this Agreement incurred by Front Porch shall be paid by Front Porch. Legal, accounting and other expenses incurred by the Covia Entities shall be paid by the Covia Entities. To the extent that Front Porch and the Covia Entities jointly engage the services of experts or consultants, such expenses shall be shared equally by Front Porch and the Covia Entities.

ARTICLE XIV
NOTICES

Any notice or other communications required or permitted hereunder shall be sufficiently given if sent by registered or certified mail, postage prepaid, by Federal Express or similar service or by telecopy, addressed as follows:
ARTICLE XV
MISCELLANEOUS

Section 15.1 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be one and the same Agreement. This Agreement may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes.

Section 15.2 Representations. All representations, warranties, covenants, agreements and indemnification made by any party hereto in or pursuant to this Agreement, or in any instrument or certificate delivered pursuant to this Agreement, or in any instrument or certificate delivered pursuant thereto, shall be deemed to have been material and relied upon by the Parties to which made and shall be
survive the execution, delivery and performance of this Agreement, the Closing hereunder, and any investigations made by or on behalf of any party hereto at any time.

Section 15.3 **Headings.** The headings in this Agreement are for convenience only and shall not affect the construction hereof.

Section 15.4 **Binding Terms and Provisions.** All terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the Parties.

Section 15.5 **Entire Agreement.** This Agreement shall constitute the entire agreement among the Parties with respect to the foregoing and may not be amended except as provided herein.

Section 15.6 **Applicable Law.** This Agreement shall be governed by, and construed and enforced in accordance with the internal Laws of the State of California, without regard to the Laws of any other jurisdiction that might be applied because of the conflicts of Laws principles of the State of California.

Section 15.7 **Public Announcements.** The Parties acknowledge that the details, terms and conditions of the contemplated transactions shall, to the extent allowed by Law and to the extent reasonably possible under the circumstances, be treated as confidential information and legally protected trade secrets. No information pertaining to such transactions shall be released to third parties except insofar as there is a valid need-to-know, or unless the Parties agree in writing to such release of information. The Parties mutually agree that no party hereto shall release, publish or otherwise make available to the public in any manner whatsoever any information or announcement regarding the contemplated transactions without the prior agreement of all Parties, except for information and filings reasonably necessary to be directed to governmental bodies to fully and lawfully effect the contemplated transactions.

Section 15.8 **Waiver of Breach.** The waiver by either party of breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

Section 15.9 **Third Party Beneficiaries.** Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties to it and the respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the liability of any third parties to any party to this Agreement, nor shall any provision give any third parties any right of subrogation or action over or against any party to this Agreement.

Section 15.10 **Dispute Resolution; Jurisdiction; Service of Process.** In the event any disagreement, dispute or claim (collectively, “Dispute”) arises among or between the Parties arising out of or relating to this Agreement or any contemplated transaction, such Dispute shall be resolved in accordance with the following procedures:

(a) In the event of a Dispute, a Party may give written notice to the other Party setting forth the nature of such Dispute (“Dispute Notice”). The Parties shall meet and confer to discuss the Dispute in good faith within 15 days of the other Party’s receipt of a Dispute Notice in an attempt to resolve the dispute. Each Party to the Dispute shall each select two representatives. All representatives shall meet at such date(s) and time(s) as are mutually convenient to the representatives of each participant within the Meet and Confer Period;

(b) If the Parties are unable to resolve the Dispute within forty-five (45) days following the date of receipt of the Dispute Notice (“Meet and Confer Period”), then the Parties agree to submit to final,
binding arbitration conducted by a single arbitrator in San Francisco, California. The arbitration shall be administered by JAMS in accordance with its then-current commercial arbitration rules, and judgment on the arbitrator’s award may be entered in any court having jurisdiction over the Dispute. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable. Without limiting any other remedies available hereunder, the prevailing Party in enforcing its rights or defending against the claims of the other Party in arbitration shall have the right to recover from the other Party reasonable attorneys’ fees and costs. By agreeing to arbitrate the Dispute, the Parties are waiving their right to seek remedies in court including the right to a jury trial.

Section 15.11 Exhibits and Schedules. The exhibits and schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

[Signature Page Follows]
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by a duly authorized officer on the date first above written.

Front Porch Communities and Services, a California nonprofit public benefit corporation

By: __________________________
Name: John M. Woodward
Its: Chief Exec. Officer

Covia Group, a California nonprofit public benefit corporation

By: __________________________
Name: __________________________
Its: __________________________

Covia Communities, a California nonprofit public benefit corporation

By: __________________________
Name: __________________________
Its: __________________________

Covia Affordable Communities, a California nonprofit public benefit corporation

By: __________________________
Name: __________________________
Its: __________________________

Covia Foundation, a California nonprofit public benefit corporation

By: __________________________
Name: __________________________
Its: __________________________

[Signature Page to Affiliation Agreement]
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by a duly authorized officer on the date first above written.

**Front Porch Communities and Services**, a California nonprofit public benefit corporation

By: ____________________________
Name: __________________________
Its: __________________________

**Covia Group**, a California nonprofit public benefit corporation

By: ____________________________
Name: Kevin Gerber
Its: President & CEO

**Covia Communities**, a California nonprofit public benefit corporation

By: ____________________________
Name: Kevin Gerber
Its: President & CEO

**Covia Affordable Communities**, a California nonprofit public benefit corporation

By: ____________________________
Name: Kevin Gerber
Its: President & CEO

**Covia Foundation**, a California nonprofit public benefit corporation

By: ____________________________
Name: Kevin Gerber
Its: President & CEO
April 27, 2020

Kevin J. Gerber, President and CEO
Covia Group and Covia Communities
2185 North California Blvd., Suite 575
Walnut Creek, CA 94596

Re: Confidentiality Agreement

Dear Kevin:

In connection with consideration of a potential affiliation (the “Potential Transaction”) between Covia Group and Covia Communities (“Covia”) on the one hand and Front Porch Communities and Services (“Front Porch”) on the other, Covia and Front Porch have each agreed to share certain information regarding itself and its business operations to the other party. In consideration of receipt of such information, each of Covia and Front Porch has required, subject to the terms and conditions provided below, that the other agrees to keep strictly confidential all information conveyed to it in whatever form, whether written or oral, regarding the disclosing party, its affiliates or the assets and to refrain from using the same except as provided below. The party disclosing such information shall be referred to in this letter as the “Disclosing Party” and the party receiving such information shall be referred to as the “Receiving Party.”

This letter will confirm the Receiving Party’s agreement to retain in strict confidence all information conveyed to it in any form, including through access to any virtual data room, by the Disclosing Party or its representatives regarding this matter (collectively, the “Confidential Information”), unless such information (i) is already in the Receiving Party’s possession, (ii) was or becomes available to the public from a source other than the Receiving Party, (iii) is required to be disclosed by law, or (iv) becomes available to the Receiving Party on a nonconfidential basis from a source other than the Receiving Party, provided that such other source is not in violation of any other obligation of confidentiality or nonuse.

The Receiving Party will use Confidential Information only in connection with its consideration of whether to engage in the Potential Transaction and will not otherwise use it in its business or disclose it to others, except that the Receiving Party shall have the right to communicate the information to such of its directors, officers, employees (if any), and agents (including its attorneys, accountants, consultants, lenders, contractors and similar advisers) (collectively, “Representatives”) who are required by their duties to have knowledge thereof, provided that each such person is informed that such information is strictly confidential and each such person is subject to terms and conditions with respect to the Confidential Information that are substantially similar to those in this agreement. The Receiving Party hereby agrees that it will be liable for any breach of this agreement by its Representatives.
Each party agrees not to initiate, contact, or engage in discussions regarding the Potential Transaction with any employee, customer, or supplier of the other party without the other party’s prior written consent. Each party agrees not to solicit for employment any employees of the other party, other than through a public general advertisement, without the written consent of the other party, for a period of two years from the date of this agreement.

The Receiving Party acknowledges that neither the Disclosing Party nor any of its Representatives makes any representation as to the accuracy or completeness of information conveyed to the Receiving Party and that neither the Disclosing Party nor any of its Representatives shall have any liability to the Receiving Party as a result of the Receiving Party’s use of such information.

Except as expressly provided in this agreement, each party agrees that, without prior written consent of the other, it will not disclose to any other person that it has received information regarding the other party or the Potential Transaction, that the other party is in discussions or negotiations with it as to the Potential Transaction, or that the other party is considering a Potential Transaction. Each party also agrees that the other party will not be obligated to pay any fees on its behalf to any broker, finders, or other parties claiming to represent it in this Potential Transaction. Without limiting the generality of the nondisclosure agreements contained herein, it is further understood that each party is strictly prohibited by this agreement from acting as a broker or an agent using any of the confidential information provided to it.

If the Receiving Party or any of its representatives are requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other law, regulation, requirement or process) to disclose any Confidential Information conveyed to it or any information relating to its judgment or view concerning the Disclosing Party, the Receiving Party will, unless legally prohibited from doing so, provide the Disclosing Party with prompt written notice of any such request or requirement so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy and/or waive the Receiving Party’s compliance with the provisions of this agreement. In the event that no such protective order or other remedy is obtained, the Receiving Party will furnish only that portion of the information conveyed to the Receiving Party, which the Receiving Party is advised by counsel is legally required.

Each party agrees that money damages would not be a sufficient remedy for any actual or threatened breach of this letter agreement and that each party shall be entitled (without the requirement of posting any bond or other security whatsoever) to equitable relief, including injunction and specific performance, in the event of any breach or threatened breach of this agreement, in addition to all other remedies available at law or equity.

In the event of litigation relating to this agreement, if a court of competent jurisdiction determines in a final, non-appealable order that this letter has been breached by a party, then the breaching party will reimburse the non-breaching party for any costs and expenses (including, without limitation, legal fees and expenses) incurred in connection with all such litigation.

Each party agrees that, until a formal affiliation agreement is executed between them, neither party has any legal obligation of any kind whatsoever with respect to any such transaction by virtue of this agreement or otherwise. In the event that the parties do not enter into the Potential Transaction, each party agrees to return to the other party or destroy (and certify in writing that it has done so) immediately upon request all financial and other written information provided to it relating to the other party together with all
copies of such information in its possession or to which it has access. Each of the undersigned is duly authorized to bind the respective party to this agreement.

This agreement shall be governed by and construed in accordance with the laws of the State of California.

Very truly yours,

Front Porch Communities and Services

By: [Signature]
Name: John M. Woodward
Title: CEO

Acknowledged and Agreed this 28 day of April 2020

Covia Group
Covia Communities

By: [Signature]
Name: Kevin Gerber
Title: President & CEO
SECTION 999.5(d)(1)(C)

(C) A statement of all of the reasons the board of directors of applicant believes that the proposed agreement or transaction is either necessary or desirable.

The proposed affiliation between Front Porch and Covia would create significant economic benefit and expand mission compatible growth.

1. Why are we coming together?
   - Enhance financial ability to honor our obligations and reduce risk for the people we serve today and in the future;
   - Reduce costs and increase resources to meet changing needs of both residents and employees;
   - Respond to technology opportunities and changing needs;
   - Address increasing regulatory demands;
   - Increase reinvestment in plant through expanded access to capital for both routine maintenance and development opportunities;
   - Reduce costs for the management, redevelopment and expansion of affordable housing; and
   - Improve stability and support especially during periods of volatility.

2. What are the benefits?
   - **Residents:**
     - Enhance ability to introduce relevant service options, technology and community enhancements;
     - Provide opportunities to expand community service programs; and
     - Spread overhead costs.
   - **Staff:**
     - Increase opportunities for advancement and mobility;
     - Attract, recognize and retain the best talent;
     - Implement new business systems and risk management programs; and
     - Provide enhanced and more desired benefits and programs to continue strong engagement.
   - **Organization:**
     - Reinforce brand and reputation in expanded regions to improve competitiveness;
     - Utilize combined resources to expand affordable housing; and
     - Allow additional investment in technology and innovation.

3. How Are We Coming Together?
   - Front Porch will become the sole corporate member of Covia Group, Covia Communities and CAC;
   - Some Covia Board members will join Front Porch Board and some Front Porch Board Members will join the Covia Entities Boards at close of the Affiliation;
   - Combined, unified management team will be named; and
• Liabilities and assets will be combined when it is financially and operationally advantageous.

4. **Why now?**
• Financial strength of both organizations allow for transition driven by common goals;
• Global health crisis reinforces advantages of combining financial strength to insulate operations from volatility in financial markets; and
• Expanded access to capital supports timely modernization of communities and growth.
SECTION 999.5(d)(2)

FAIR MARKET VALUE

(d)(2)(A)

(A) The estimated market value of all cash, property, stock, notes, assumption or forgiveness of debt, and any other thing of value that the applicant would receive for each health facility or facility that provides similar health care services covered by the proposed agreement or transaction.

No such facility is being sold or transferred as part of the Affiliation. Covia will retain its respective right, title, and interest in and to all Covia facilities and assets.

Appraisals of Covia Communities’ CCRCs have been included with this Notice in supplemental Appraisal Binders as described in Section 999.5(d)(2)(D) below.
SECTION 999.5(d)(2)(B)

(B) The estimated market value of each health facility, facility that provides similar health care services, or other asset to be sold or transferred by the applicant under the proposed agreement or transaction.

As noted in Section (2)(A), the Affiliation does not involve the sale or transfer of any such facility. In addition, the SNFs in question are a part of the operations of the CCRCs and cannot be separately valued. However, appraisals of the CCRCs are included with this Notice in supplemental Appraisal Binders as described in Section 999.5(d)(2)(D) below.
SECTION 999.5(d)(2)(C)

(C) A description of the methods used by the applicant to determine the market value of any assets involved in the proposed agreement or transaction. This description shall include a description of the efforts made by the applicant to sell or transfer each health facility or facility that provides similar health care services that is the subject of the proposed agreement or transaction.

Appraisals of Covia Communities’ CCRCs have been provided in supplemental Appraisal Binders as described in Section 999.5(d)(2)(D) below. In general, appraisers use the income capitalization and sales comparison approaches for these types of properties. Applicant has made no effort to sell or transfer any health facility or facility that provides similar services to those that are the subject of the proposed transaction.
SECTION 999.5(d)(2)(D)

(D) Reports, analysis, Requests for Proposal, and any other documents that refer or relate to the valuation of any asset involved in the agreement or transaction.

Appraisals were conducted for the following Covia Community CCRCs:

1. Canterbury Woods in Pacific Grove, California;
2. St. Paul’s Towers in Oakland, California;
3. Spring Lake Village in Santa Rosa, California;
4. San Francisco Towers in San Francisco, California; and
5. Webster House in Palo Alto, California

Due to their volume, copies of these appraisals are provided in separate supplemental binders ("Appraisal Binders").
SECTION 999.5(d)(2)(E)

(E) For joint venture transactions, all asset contribution agreements and related valuations, all limited liability corporation or limited liability partnership operating agreements, management contracts, and put option agreements.

(Not Applicable)
SECTION 999.5(d)(3)

INUREMENT AND SELF-DEALING

(d)(3)(A)

(A) Copies of any documents or writings of any kind that relate or refer to any personal financial benefit that a proposed affiliation between applicant and the transferee would confer on any officer, director, employee, doctor, medical group or other entity affiliated with applicant or any family member of any such person as identified in Corporations Code section 5227(b)(2).

The Covia Entities’ CEO Kevin Gerber, will step down effective on the Closing Date, as specified in the Affiliation Agreement. Certain other members of the senior management team are expected to remain with the organization post-Affiliation. The identities of the remaining senior management team members will be determined prior to closing of the Affiliation. There is currently no document or writing specifying or referring to any financial benefit to be received by any member of the senior management team after the closing of the Affiliation.
SECTION 999.5(d)(3)(B)

(B) The identity of each and every officer, trustee or director of applicant (or any family member of such persons as identified in Corporations Code section 5227(b)(2)) or any affiliate of applicant who or which has any personal financial interest in any company, firm, partnership, or business entity (other than salary and directors/trustees’ fees) currently doing business with applicant, any affiliate of applicant, or the transferee or any affiliate of the transferee.

Covia represents that no officer, trustee or director of Covia Communities, or any affiliate of Covia Communities, or any such person as identified in Corporations Code section 5227(b)(2), who has any personal financial interest in any company, firm, partnership, or business entity (other than salary and any directors/trustees’ fees) currently doing business with Covia, Front Porch, or any affiliate of Covia or Front Porch will remain as an officer, trustee, or director of the organization after closing of the Affiliation.
SECTION 999.5(d)(3)(C)

(C) A statement describing how the board of directors of the nonprofit corporations involved in the transaction are complying with the provisions of Health and Safety Code sections 1260 and 1260.1.

No member of Covia Communities’ board of directors has negotiated the terms and conditions of the Affiliation.

In making its decisions regarding the Affiliation, Covia Communities’ board has not substantially relied on any information, other than exclusively factual information about Covia, presented by a member of Covia Communities’ management, other than CEO Kevin Gerber, who has made a written affirmative declaration that he will not work for, or receive any form of remuneration from, Front Porch in the future. The Board also has engaged independent counsel, accountants, financial analysts, and other professionals whom the board believes to be reliable and competent in the matters presented, to review and evaluate information and advice presented by those employees of Covia Communities who have not signed an affirmative declaration not to work for Front Porch.
Kevin Gerber Statement to Boards of Directors

Pursuant to Health and Safety Code Section 1260.1, I, Kevin Gerber, hereby make a written affirmative declaration that I will not work for, or receive any form of remuneration from, Front Porch at any time.

Having received this declaration, the Boards of Directors of Covia Group, Covia Communities, Covia Affordable Communities, and Covia Foundation, respectively, when evaluating and voting upon the proposed affiliation with Front Porch, may substantially rely on information and opinions that I present in connection with the proposed affiliation.

Kevin Gerber

May 28, 2020
SECTION 999.5(d)(4)

CHARITABLE USE OF ASSETS

(d)(4)(A)

(A) The applicant’s articles of incorporation and all amendments thereto and current bylaws, any charitable trust restrictions, and any other information necessary to define the charitable trust purpose of the applicant’s assets.

Attached to this Section are the following:

**Covia Group**
- Endorsed filed articles of incorporation
- Certified bylaws
- Franchise Tax Board exemption letter
- IRS tax-exempt determination letter

**Covia Communities**
- Endorsed filed articles of incorporation
- Certified bylaws
- Franchise Tax Board exemption letter
- IRS tax-exempt determination letter

**Covia Affordable Communities**
- Endorsed filed articles of incorporation
- Certified bylaws
- Franchise Tax Board exemption letter
- IRS tax-exempt determination letter

**Covia Foundation**
- Endorsed filed articles of incorporation
- Certified bylaws
- Franchise Tax Board exemption letter
- IRS tax-exempt determination letter
CERTIFICATE OF AMENDMENT
AND RESTATEMENT OF
ARTICLES OF INCORPORATION
OF
COVIA GROUP
A California Nonprofit Public Benefit Corporation

The undersigned, Kevin J. Gerber and Mary McMullin, hereby certify that:

1. They are, respectively, the duly elected and acting President/CEO and Secretary of Covia Group, a California nonprofit public benefit corporation (the "Corporation");

2. The Articles of Incorporation of the Corporation are amended and restated to read in their entirety as follows:

"ARTICLE I

The name of this corporation is Covia Group.

ARTICLE II

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

B. The purposes of this corporation are (1) to engage in activities typical of the parent of an integrated system including providing financial, administrative, and programmatic planning and policy development and other forms of support to its subsidiary and affiliated organizations; and (2) to engage in any activities in direct furtherance of such purposes.

ARTICLE III

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 214 and 23701d of the California Revenue and Taxation Code, as amended;

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Code. This corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office;

ARTICLE IV

A. The property of the corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the corporation shall ever inure to the benefit of an officer or member thereof or to the benefit of any private person;

B. Upon the liquidation, dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation
shall be distributed to a nonprofit fund, foundation or corporation that provides housing or services to the elderly and which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Code.

ARTICLE V

A. The corporation is organized and operated as a Type III, functionally integrated supporting organization as provided in Section 509(a)(3) of the Code and Treasury Regulations Section 1.509(a)-4(i)(4)(i)(B). Substantially all of the corporation’s activities directly further the purposes of Covia Communities, its supported organization, and, but for its existence, such activities would be conducted by the supported organization itself.

B. The corporation serves as the parent of an integrated system and as such provides support to Covia Communities, its supported organization, and other organizations that are part of the integrated system of which the Corporation is the parent.”

3. The foregoing Amendment and Restatement of the Articles of Incorporation of the Corporation has been duly approved by the Board of Directors of the Corporation.

4. The corporation has no members.

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate of Amendment and Restatement of the Articles of Incorporation of the Corporation are true and correct of his or her own knowledge.

IN WITNESS WHEREOF, the undersigned executed this Certificate of Amendment and Restatement on December 26, 2018.

[Signature]
Kevin J. Gerber
President/CEO

[Signature]
Mary McMullin
Secretary
CERTIFICATE OF AMENDMENT OF
AMENDMENT AND RESTATMENT OF ARTICLES OF INCORPORATION OF
SENIOR RESOURCES OF THE WEST
A California Nonprofit Public Benefit Corporation

This Certificate of Amendment of the Amendment and Restatement of Articles of Incorporation is submitted for filing under the applicable provisions of the California Corporations Code.

The undersigned certify that:

1. They are the president and the secretary, respectively, of Senior Resources of the West, a California nonprofit corporation.

2. Article I of the Certificate of Amendment and Restatement of Articles of Incorporation is amended to read as follows:

   "The name of the corporation is COVIA GROUP."

3. The foregoing Certificate of Amendment of the Amendment and Restatement of Articles of Incorporation has been duly approved by the board of directors.

4. The corporation has no members.

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

Date: February 9, 2018
Name: Kevin Gerber
Title: President

Date: February 9, 2018
Name: Mary McMullin
Title: Secretary
CERTIFICATE OF AMENDMENT
AND RESTATEMENT OF
ARTICLES OF INCORPORATION
OF
JTM COMMUNITIES
A California Nonprofit Public Benefit Corporation

The undersigned, Kevin J. Gerber and Dee Ann Campbell, hereby certify that:

1. They are, respectively, the duly elected and acting President/CEO and Secretary of JTM Communities, a California nonprofit public benefit corporation (the "Corporation");

2. The Articles of Incorporation of the Corporation are amended and restated to read in their entirety as follows:

   "ARTICLE I

   The name of this corporation is Senior Resources of the West.

   ARTICLE II

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

   B. The purposes of this corporation are (1) to provide financial, administrative, programmatic and other forms of support to its subsidiary and affiliated organizations provided that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"), and are deemed to be publicly supported charities under Section 509(a)(1) or 509(a)(2) of the Code; and (2) to engage in any activities in direct furtherance of such purposes.

   ARTICLE III

   A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code and Sections 214 and 23701d of the California Revenue and Taxation Code, as amended;

   B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Code. This corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office;

   ARTICLE IV

   A. The property of the corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the corporation shall ever inure to the benefit of an officer or member thereof or to the benefit of any private person;

   B. Upon the liquidation, dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation or corporation that provides housing
or services to the elderly and which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Code.

ARTICLE V

A. The corporation is organized and operated as a Type III, functionally integrated supporting organization as provided in Section 509(a)(3) of the Code. Substantially all of the corporation's activities directly further the purposes of its supported organizations and, but for its existence, such activities would be conducted by the supported organizations themselves.

B. The corporation provides support to the following organizations which are tax exempt under Section 501(c)(3) of the Code:
- Episcopal Senior Communities
- Episcopal Senior Communities Foundation
- Lytton Gardens, Inc.
- Lytton Gardens Senior Communities
- Community Housing, Inc.
- Lytton IV Housing Corporation
- Oak Center Towers
- Presidio Gate Apartments
- Jennings Senior Housing

3. The foregoing Amendment and Restatement of the Articles of Incorporation of the Corporation has been duly approved by the Board of Directors of the Corporation.

4. The corporation has no members.

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate of Amendment and Restatement of the Articles of Incorporation of the Corporation are true and correct of his or her own knowledge.

IN WITNESS WHEREOF, the undersigned executed this Certificate of Amendment and Restatement on June 28, 2015.

Kevin J. Gerber  
President/CEO

Dee Ann Campbell  
Secretary
June 1, 2015

California Secretary of State
1500 11th Street
Sacramento, CA 95814

Re: Consent to Use of Name

TO WHOM IT MAY CONCERN:

On behalf of Southern California Senior Resources, Inc., a California corporation, I hereby consent to JTM Communities, a California nonprofit public benefit corporation, filing a Certificate of Amendment to its Articles of Incorporation and changing its name to "Senior Resources of the West."

Very truly yours,

Southern California Senior Resources, Inc.,
a California corporation

By: Christopher P. Gutierrez
   Its Chief Executive Officer
I hereby certify that the foregoing transcript of ______ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JUL 01 2015

Date: ________________________________

[Signature]

ALEX PADILLA, Secretary of State
AMENDED & RESTATED BYLAWS
COVIA GROUP
Adopted January 15, 2018
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AMENDED AND RESTATED BYLAWS
OF
COVIA GROUP

ARTICLE I
Principal Office

The principal office of Covia Group (the “Corporation”) shall be located in the county of Contra Costa, California or at such other location as the Board of Directors of the Corporation (the “Board”) may from time to time establish.

ARTICLE II
Membership

The Corporation shall have no members within the meaning of the California Nonprofit Public Benefit Corporation Law. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. Subject to the provisions and limitations of the Nonprofit Public Benefit Corporation Law, the Corporation’s activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

ARTICLE III
The Board of Directors

Section 1. Management Powers Vested. The Corporation shall have powers to the full extent allowed by law. All powers and activities of the Corporation shall be exercised and managed by the Board of the Corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number and Qualification of Directors. The Board shall consist of a minimum of five (5) persons and a maximum of nine (9) persons (the “Directors”) with the exact number to be fixed by Resolution of the Board from time to time. The Directors appointed by the Board of the Corporation shall comprise at all times a simple majority of the Board. The remaining Directors shall be selected by Covia Communities, a California nonprofit public benefit corporation (“CC”). None of the Directors may be currently serving members of the board of directors of CC. Only
persons nominated by the CC Governance Committee are eligible for appointment to the Board. All Directors must have demonstrated experience, expertise, or interest in and commitment to the construction, financing, and/or the operation of continuing care retirement communities, senior affordable housing, and community based senior supportive services.

Section 3. Limitations on Interested Persons. At all times, not more than forty-nine percent (49%) of the Directors of the Corporation may be interested persons. An interested person means either:

(a) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director in his or her capacity as Director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Election and Term of Office. Directors shall be elected by the designated appointing entities set forth in Section 2 of this Article at the annual meeting of the Board. The Directors shall have staggered terms of office for three (3) years so that approximately one-third (1/3) of Directors’ terms shall expire each year. Directors may serve only three (3) consecutive terms on the Board; however, if a Director is appointed mid-term, he or she shall be eligible to serve for three (3) full terms thereafter. If, after the expiration of permitted consecutive terms, a Director does not serve on the Board for one (1) year, he or she shall become eligible to return to serve on the Board. Any reduction of the number of Directors authorized in the Articles of Incorporation or these Bylaws does not remove any Director prior to the expiration of such Director’s term of office. No amendment of the Articles of Incorporation or these Bylaws may extend the term of a Director beyond that for which the Director was elected. All Directors shall hold office until the election at the annual meeting in the year of the expiration of their terms, and the qualification of their successors. In the event of a change in the number of Directors, the staggering of terms shall be preserved.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of Directors is less than the authorized number for any reason, including newly created seats. A vacancy in the office of any Director shall be filled for the remainder of the term by the designated appointing entity set forth in Section 2 of this Article, in a manner consistent with the terms of the Articles of Incorporation and these Bylaws. A Director chosen to fill a vacancy shall serve the unexpired portion of the term of his or her predecessor in office.
Section 6. **Resignation and Removal of Directors.** Resignations shall be effective upon receipt in writing by the Chair of the Board, the President/Chief Executive Officer, or the Secretary of the Corporation, unless a later effective date is specified in the resignation. Directors may be removed from office at any time, with or without cause, by the designated appointing entity set forth in Section 2 of this Article. Such designated appointing entity shall appoint another eligible person to fill the resulting vacancy and serve the remainder of the term. A majority of the Directors present at a meeting for which a quorum was present may recommend to the designated appointing entity the removal from office of any Director if he or she shall fail to attend three (3) or more successive meetings of the Board without reasonable cause that is acceptable to the Board.

Section 7. **Annual Meeting.** A meeting of the Board shall be held at least once a year. Annual meetings shall be called by the Chair of the Board, the President/Chief Executive Officer, or any two Directors, and noticed in accordance with Section 9 of this Article.

Section 8. **Special Meetings.** Special meetings of the Board may be called by the Chair of the Board, the President/Chief Executive Officer, or any two Directors, and noticed in accordance with Section 9 of this Article.

Section 9. **Notice of Meetings.** Notice of the annual meeting and any special meetings of the Board shall state the date, place, and time of the meeting and shall be given to each Director at least four (4) days before any such meeting if given by first-class mail or forty-eight (48) hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article VIII, Section 4 of these Bylaws.

Section 10. **Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present sign a written waiver of notice, a consent to holding such meeting, or an approval of the minutes. All such waivers, consents, or approvals shall be filed with the Corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. **Quorum.** A majority of the authorized number of Directors shall constitute a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in Article III, Section 12 (taking action without a meeting); Article IV, Section 1 (appointing
Board Committees); Article VI, Section 2 (approving self-dealing transactions); Article VII, Section 2 (approving indemnification); and Article VIII, Section 5 (amending Bylaws), of these Bylaws; or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all Directors of the Board (other than any Director interested in a transaction so approved) shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such Directors.

Section 13. Telephone and Electronic Meeting. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article VIII, Section 4 of these Bylaws so long as all of the following apply:

(a) each Director participating in the meeting can communicate with all of the other Directors concurrently; and

(b) each Director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

Section 14. Supermajority Voting Requirements. Notwithstanding any other provision of these Bylaws, none of the following actions shall be taken or approved by the Board or become effective against CC except upon the affirmative vote of two-thirds (2/3) of the Directors present at a meeting at which a quorum was initially present:

(a) Any change in the right of the Bishop of the Episcopal Diocese of California (the “Bishop”) and the Standing Committee to appoint a member of the CC Board of Directors;

(b) Any change in the right of the Bishop and the Standing Committee to approve the candidates to the CC Board of Directors;

(c) The elimination or substantial reduction of chaplaincies in the CC facilities;

(d) The dissolution and wind-up of CC;

(e) Merger of CC with another organization or the sale of all or substantially all of CC’s assets;
The revision of CC’s Articles of Incorporation or Bylaws.

Section 15. Standard of Care.

A. General. A Director shall perform the duties of a Director, including duties as a member of any Board Committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the Director believes to be within such person’s professional or expert competence; or

(iii) a Board Committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such Committee merits confidence; so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VI below, a person who performs the duties of a Director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person’s obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out the Corporation’s public or charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing the Corporation’s investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation’s capital. No investment violates this Section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the Corporation.
Section 16.  **Director Inspection Rights.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of the Corporation.

Section 17.  **Compensation.** No Director shall receive any compensation for his or her services as Directors, nor shall he or she profit by reason of his or her membership on the Board; provided that the Board may authorize the advance or reimbursement to a Director of actual reasonable expenses incurred in carrying out his or her duties as a Director, such as for attending meetings of the Board and Board Committees.

Section 18.  **Executive Compensation Review and Evaluation.** The Board (or a Board Committee) shall receive an annual report from CC on the compensation (including all benefits) of the President/Chief Executive Officer and the Treasurer or Chief Financial Officer and such other officers as may be required by law or which shall be so designated by resolution of the Board from time to time for the purpose of satisfying the requirement that such compensation is just, reasonable and not excessive. The Board shall also prepare an evaluation of the President/Chief Executive Officer at least annually and provide a copy to the Board of CC.

Section 19.  **Executive Sessions.** To the extent consistent with law, meetings of the Board or Board Committees, or a portion of such meetings may be held in executive session, and the members of the Board or appropriate Board Committee may exclude any or all persons who are not voting members. Before going into executive session, the Directors must determine by vote that the matter requires confidentiality and the reason for such determination shall be so stated in the minutes of the meeting.

**ARTICLE IV**

**Committees**

Section 1.  **Board Committees.** The Board may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board and to exercise such power and carry out such functions as are assigned by the Board from time to time. Appointments to any Board Committee shall be by a majority vote of the Directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

(a) set the number of Directors within a range specified in these Bylaws;

(b) fill vacancies on the Board or on any Board Committee;
(c) fix compensation of Directors for serving on the Board or any Board Committee;

(d) amend or repeal these Bylaws or adopt new Bylaws;

(e) approve amendments to the Articles of Incorporation of the Corporation;

(f) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(g) create any other Board Committees or appoint the members of any Board Committees;

(h) spend corporate funds to support a nominee for Director after there are more nominees than can be elected;

(i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of the Corporation;

(j) appoint the President/Chief Executive Officer of the Corporation;

(k) approve any change in the formal or informal expressions of philosophy or purpose of the Corporation; or

(l) approve or adopt the annual operating and capital budgets.

Section 2. Advisory Committees. The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of Directors of the Corporation, directors of a corporation affiliated with and under the common control of the Corporation (“Subsidiaries”) or non-directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

Section 3. Executive Committee. The Board, by resolution adopted by a majority of the Board, may designate a number of Directors to constitute an Executive Committee. The appointment of an Executive Committee shall not operate to relieve the Board or any Director of any responsibility imposed by law. No member of the Executive Committee shall continue to be a member thereof after he or she ceases to be a Director of the Corporation. The Board may from time-to-time increase the number of members of the Executive Committee, change its functions, or terminate its existence. During the intervals between meetings of the Board, and subject to such limitations as may be provided by law, these Bylaws, or by resolution of the Board, the
Executive Committee shall have and may exercise all the authority of the Board in the management of the Corporation. The Executive Committee shall make a full report of all actions it takes at each meeting of the Board.

Section 4. Audit Committee. For any tax year in which the Corporation has gross revenues of $2 million or more, the Corporation shall have an Audit Committee whose members shall be appointed by the Board, and who may include both Directors and non-directors, subject to the following limitations: (a) a majority of the members of the Audit Committee may not consist of members of the Finance Committee of the Corporation or its Subsidiaries, if any; (b) the chair of the Audit Committee may not be a member of the Finance Committee of the Corporation or its Subsidiaries, if any; (c) the Audit Committee may not include any member of the staff or the President/Chief Executive Officer or Treasurer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with the Corporation; and (e) Audit Committee members who are not Directors may not receive compensation greater than the compensation paid to Directors for their Board service. It is preferred that the members of the Audit Committee have a background in accounting or financial management. As permitted under Section 12586(e)(2) of the California Government Code, the Audit Committee may serve in that function on behalf of its Subsidiaries, if any.

The Audit Committee shall: (1) recommend to the Board the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2) negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of the Corporation are in order, (4) review and determine whether to accept the audit, and (5) approve performance of any non-audit services provided to the Corporation by the auditor’s firm.

Section 5. Meetings.

A. Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article III of these Bylaws concerning meetings and actions of the Board, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board and the Directors. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the Corporate records.

B. Advisory Committees. Subject to the authority of the Board, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.
ARTICLE V

Officers

Section 1. Officers. The officers of the Corporation shall be a Chair of the Board, a Vice-Chair of the Board, a President/Chief Executive Officer, a Secretary, a Chief Financial Officer, and such other officers as the Board may from time to time provide for and elect (the “Officers”). Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President/Chief Executive Officer or Chair of the Board. The Chair and Vice-Chair shall be members of the Board. The other Corporate Officers need not be members of the Board. The President/Chief Executive Officer, and the Chief Financial Officer of CC shall each serve, ex-officio, as those respective Officers of the Corporation and shall assume the same positions at the Corporation (the “Ex-Officio Officers”).

Section 2. Election. With the exception of the Ex-Officio Officers and such Officers appointed in accordance with Section 3 or Section 5 of this Article, the Officers of the Corporation shall be chosen annually by the Board, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3. Subordinate Officers. The Board or the President/Chief Executive Officer may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board or President/Chief Executive Officer may from time to time determine.

Section 4. Removal and Resignation. Any Officer, except the Ex-Officio Officers, may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in case of an Officer chosen by the Board, by any Officer upon whom such power of removal may be conferred by the Board.

Any Officer may resign at any time by giving written notice to the Board or to the President/Chief Executive Officer or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to the office.
Section 6. **Chair of the Board.** The Chair of the Board shall, if present, preside at all meetings of the Board, and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board.

Section 7. **Vice-Chair of the Board.** In the absence of the Chair, the Vice-Chair of the Board shall preside at all meetings of the Board and perform such other powers and duties as may be from time to time assigned to him or her by the Board.

Section 8. **President/Chief Executive Officer.** Subject to such supervisory powers, if any, as may be given by the Board to the Chair of the Board, the President/Chief Executive Officer shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction, and control of the business and affairs of the Corporation. He or she shall have the general powers and duties of management usually vested in the office of President/Chief Executive Officer of a corporation, and shall have such other powers and duties as may be prescribed by the Board.

Section 9. **Secretary.** The Secretary shall attend all meetings of the Directors and keep, or cause to be kept, a minute book and the seal of the Corporation, if any, in safe custody at the principal office or such other place as the Board may order, and shall keep or cause to be kept in said minute book, minutes of all meetings of Directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given and the names of those present, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 10. **Chief Financial Officer.** The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus. The books of account shall at all times be open to inspection by any Director.

The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board. He or she shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President/Chief Executive Officer and Directors, whenever they request it, and at least quarterly, an account of all transactions and a financial report on the condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board.
ARTICLE VI

Certain Transactions

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, the Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or Officer; provided, however, that the Corporation may advance money to a Director or Officer of the Corporation or any Subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such Director or Officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 of this Article, the Board shall not approve, or permit the Corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 3. Approval. The Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. The Corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) the Corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to the Corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the Director’s interest in the transaction, and by a vote of a majority of the Directors then in office, without counting the vote of the interested Director or Directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the foregoing requirements, provided that, at its next meeting, the full Board determines in good faith that the Board Committee’s approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the Directors then in office without the vote of any interested Director.
ARTICLE VII

Indemnification and Insurance

Section 1. **Right of Indemnity.** To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, the Corporation may indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, “agent” shall have the same meaning as in Section 5238(a), including Directors, Officers, employees, other agents, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorneys’ fees.

Section 2. **Approval of Indemnity.** On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of Directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, may authorize indemnification to the extent permitted thereby.

Section 3. **Advancing Expenses.** The Board may authorize the advance of expenses incurred by or on behalf of an agent of the Corporation in defending any proceeding prior to final disposition, if the Board finds that:

(a) the requested advances are reasonable in amount under the circumstances; and

(b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. **Insurance.** The Board may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond the Corporation’s power to indemnify the agent under law.
ARTICLE VIII

General Provisions

Section 1. Fiscal Year. Unless another date is fixed by resolution of the Board, the fiscal year of the Corporation shall end each year on the thirty-first (31st) day of March.

Section 2. Annual Reports to the Directors.

A. Financial Report. Unless the Corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, within 120 days after the end of the Corporation’s fiscal year, the Board shall furnish a written report to all of the Directors containing the following information:

(i) the assets and liabilities, including the trust funds of the Corporation, as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during the fiscal year;

(iii) the revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(iv) the expenses or disbursements of the Corporation, for both general and restricted purposes, for the fiscal year; and

(v) any information required by subsection B below.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized Officer of the Corporation that such statements were prepared without an audit from the books and records of the Corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Article VIII, Section 4 of these Bylaws.

If the Corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, the report described above must be furnished only to the Directors who request it in writing.

B. Report of Certain Transactions. Unless the Corporation furnishes the report required by subsection A above, within 120 days after the end of the Corporation’s fiscal year, the Board shall furnish a written report to all of the Directors of the Corporation containing the following:
(i) a description of any transaction during the previous fiscal year involving $50,000 or more between the Corporation or Subsidiary, if any and any of its Directors or Officers (or those of its Subsidiary, if any) or any holder of more than ten percent (10%) of the voting power of the Corporation or its Subsidiary, if any including the names of the interested persons, their relationship to the Corporation, the nature of their interest in the transaction and, where practicable, the value of such interest; and

(ii) the amount and circumstances of any indemnifications or advances aggregating more than $10,000 that were paid during the fiscal year to any Director or officer of the Corporation.

If no transaction required to be reported has occurred during the fiscal year, no report is required for that fiscal year.

Section 3. Required Financial Audits. The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of $2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by the Corporation shall be made available for inspection by the Attorney General and the general public within nine (9) months after the close of the fiscal year to which the statements relate, and shall remain available for three (3) years (1) by making them available at the Corporation’s principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on the Corporation’s website.

Section 4. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the Corporation, the Corporation has obtained facsimile number or email address from the recipient indicating how the recipient desires to receive such notices; (ii) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 5. Amendments. These Bylaws may be amended only by an affirmative vote of a majority of Directors then in office at any regular or special meeting of the Board called for that purpose; provided that, except as provided in Article III,
Section 12. No amendment shall be adopted at any meeting of the Board unless notice is given for the time and in the manner specified in these Bylaws for giving notice of special meetings. The notice shall state that the matter of considering amendments to the Bylaws will be considered at the meeting and the substance of the proposed amendment or amendments to be considered.

Section 6. **Governing Law.** In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

[The Certificate of Secretary follows on the next page]
CERTIFICATE OF SECRETARY

I, Mary McMullin, certify that I am presently the duly elected and acting Secretary of COVIA GROUP, a California nonprofit public benefit corporation (the “Corporation”), and that the above Bylaws, consisting of 15 pages, are the Bylaws of the Corporation as adopted by resolution of the Board, on January 15, 2018.

DATED: March 7, 2018

[Signature]
Secretary
Entity Status Letter

Date: 6/2/2020
ESL ID: 7753368674

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID: 0455313
Entity Name: COVIA GROUP

☒ 1. The entity is in good standing with the Franchise Tax Board.
☐ 2. The entity is not in good standing with the Franchise Tax Board.
☒ 3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701.
☐ 4. We do not have current information about the entity.

The above information does not necessarily reflect:
- The entity’s status with any other agency of the State of California or other government agency.
- If the entity’s powers, rights, and privileges were suspended or forfeited at any time in the past, or the entity did business in California at a time when it was not qualified or not registered to do business in California:
  - The status or voidability of any contracts made in California by the entity at a time when the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
  - For entities revived under R&TC Section 23305b, any time limitations on the revivor or limitation of the functions that can be performed by the entity.

Connect With Us
Web: ftb.ca.gov
Phone: 800.852.5711 from 7 a.m. to 5 p.m. weekdays, except state holidays
       916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments
Dear Sir or Madam:

We're responding to your request dated March 22, 2018, about your tax-exempt status.

We issued you a determination letter in September 1965, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Section 509(a)(2).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax-deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period.

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).
If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations Rulings and Agreements

Letter 4168 (2-2018)
Catalog Number 66666G
CERTIFICATE OF AMENDMENT OF
AMENDMENT AND RESTATEMENT OF ARTICLES OF INCORPORATION OF
EPISCOPAL SENIOR COMMUNITIES
A California Nonprofit Public Benefit Corporation

This Certificate of Amendment of the Amendment and Restatement of Articles of Incorporation is submitted for filing under the applicable provisions of the California Corporations Code.

The undersigned certify that:

1. They are the president and the secretary, respectively, of Episcopal Senior Communities, a California nonprofit corporation.

2. Article I of the Amendment and Restatement of Articles of Incorporation is amended to read as follows:

"The name of the corporation is COVIA COMMUNITIES."

3. The foregoing Certificate of Amendment of the Amendment and Restatement of Articles of Incorporation has been duly approved by the board of directors.

4. Member approval was by the required vote of the members in accordance with California Corporations Code section 5812.

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

Date: February 9, 2018

Name: Kevin Gerber
Title: President

Date: February 9, 2018

Name: Mary McMullin
Title: Secretary
I hereby certify that the foregoing transcript of __________ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

FEB 12 2018

Date: ____________________________

Alex Padilla, Secretary of State
CERTIFICATE OF AMENDMENT AND
RESTATEMENT OF ARTICLES OF INCORPORATION
OF
EPISCOPAL SENIOR COMMUNITIES
A California Nonprofit Public Benefit Corporation

The undersigned, Kevin J. Gerber and Mary McMullin, hereby certify that:

1. They are, respectively, the duly elected and acting President/CEO and Secretary of Episcopal Senior Communities, a California nonprofit public benefit corporation (the "Corporation");

2. The Articles of Incorporation of the Corporation are amended and restated to read in their entirety as follows:

"ARTICLE I

The name of this corporation is Episcopal Senior Communities.

ARTICLE II

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

B. The purposes of this corporation are (1) to provide healthcare services, supportive services or housing, including affordable housing, as well as related facilities and services to low income households, elderly persons and others with special needs (2) to own and operate continuing care retirement communities, skilled nursing facilities, memory and personal care facilities (3) to engage in any activities that further such purposes.

ARTICLE III

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the "Code") and Sections 214 and 23701d of the California Revenue and Taxation Code (the "R and T Code"), both as amended;

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Code. This corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office;
ARTICLE IV

A. The property of the corporation is irrevocably dedicated to charitable purposes within the meaning of Section 501(c)(3) of the Code and no part of the net income or assets of the corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person;

B. Upon the liquidation, dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to the Episcopal Church in the Diocese of California (the “Diocese”) which is organized and operated exclusively for charitable and religious purposes meeting the requirements of Section 214 of the R and T Code, or, in the event that the Diocese does not exist or fails to meet the requirements of Section 214 of the R&T Code, to another nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes meeting the requirements of Section 214 of the R and T Code and which has established its tax exempt status under Section 501(c)(3) of the Code, provided however, that no amendment to this Article IV.B shall be made without the approval of the incumbent Bishop of the Diocese.”

3. The foregoing Amendment and Restatement of the Articles of Incorporation of the Corporation has been duly approved by the Board of Directors of the Corporation.

4. The foregoing Amendment and Restatement of the Articles of Incorporation of the Corporation has been duly approved by its sole member.

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate of Amendment and Restatement of the Articles of Incorporation of the Corporation are true and correct of his or her own knowledge.

IN WITNESS WHEREOF, the undersigned executed this Certificate of Amendment and Restatement on January 17, 2017.

__________________________
Kevin J. Gerber
President/CEO

__________________________
Mary McMullin
Secretary
AMENDED & RESTATED BYLAWS
COVIA COMMUNITIES

Adopted on February 8, 2018
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AMENDED AND RESTATED BYLAWS

OF

COVIA COMMUNITIES

ARTICLE I
Principal Office

The principal office of Covia Communities (the “Corporation”) shall be located in the County of Contra Costa, California or at such other location as the Board of Directors of the Corporation (the “Board”) may establish.

ARTICLE II
Membership

Unless and until the Articles of Incorporation of the Corporation are amended to provide otherwise, Covia Group, a California nonprofit public benefit corporation (the “Member”) shall be the sole member of the Corporation. The Member shall act through its own Board of Directors in accordance with the Member’s Articles of Incorporation and Bylaws. The function of the Member shall be to appoint certain directors of the Board and to perform other duties as set forth in these Bylaws. The Member shall be given fifteen (15) days’ notice and granted the opportunity to be heard by the Board, orally or in writing, not less than five (5) days prior to passage of an amendment to the Corporation’s Articles of Incorporation which terminates its membership rights or adds additional members. Such notice, if applicable, shall state the reason for the proposed action.

ARTICLE III
Membership Rights

Section 1. Voting Rights. The Member shall have the right to vote, as set forth in these Bylaws, on the following matters:

A. the appointment of certain directors;

B. any amendment to these Bylaws that materially and adversely affects Member voting rights; or

C. any other matters that may properly be presented to the Member for a vote, pursuant to the Corporation’s Articles of Incorporation, Bylaws, or action of the Board, or by operation of law.
Section 2. Inspection Rights.

A. Articles and Bylaws. The Corporation shall keep at its principal office in California current copies of the Articles of Incorporation and Bylaws of the Corporation, which shall be open to inspection by the Member at all reasonable times. If the Corporation has no principal office in California, the Secretary shall furnish such copies to the Member upon written request.

B. Accounting Records; Minutes. On written request, the Member (in person or through an agent or attorney) may inspect and copy the accounting books and records of the Corporation and the minutes of the proceedings of the Member, the Board, or any Board Committee, at any reasonable time and for a purpose reasonably related to the Member’s interests as a member.

C. Membership Records. The right of the Member to have access to the membership records of the Corporation shall be governed by Sections 6330 through 6332 of the California Nonprofit Public Benefit Corporation Law.

D. Other Rights. In addition to the rights described in these Bylaws, the Member shall have any other rights afforded voting members under the California Nonprofit Public Benefit Corporation Law.

ARTICLE IV
Member Meetings and Voting

Section 1. Annual Member Meetings. An annual meeting of the Member will be held at a date, place, and time determined by the Corporation, for the purpose of electing directors and transacting such other business as may come before the meeting.

Section 2. Special Meetings of the Member. Special meetings of the Member may be called by the Member upon request by the Board, the Chair of the Board, or the President/Chief Executive Officer.

Section 3. Time and Manner of Notice of Meetings. The Secretary shall give written notice of each Member’s meeting to the Member. The notice shall be delivered to the last address provided by the Member to the Corporation for purposes of notice, either personally or by facsimile transmission, electronic transmission in compliance with Article XII, Section 5, or first-class, registered, or certified mail not less than ten nor more than ninety days before the date of such meeting; or by other mail not less than twenty nor more than ninety days before the date of such meeting.
Section 4. Contents of Notice. The notice shall state the place, date and time of the meeting and (a) in the case of special meetings, the general nature of the business to be transacted, and no other business may be transacted; or (b) in the case of the annual meeting and as of the date of the notice, the names of all those who are nominees for director, and those matters which the Board intends to present for action by the Member. Any proper matter may be presented at the annual meeting whether or not contained in the notice.

Section 5. Manner of Action. All actions required or permitted to be taken by the Member under these Bylaws, the Articles of Incorporation, or the laws of the State of California may be taken by the Member through a majority vote of its duly appointed Board of Directors. Any action required or permitted to be taken by the Member at a meeting, may be taken without a meeting if the Member shall consent to such action in writing. If action is taken by written consent, the consent shall be filed with the corporate minutes.

ARTICLE V
The Board of Directors

Section 1. Management Powers Vested. The Corporation shall have powers to the full extent allowed by law. All powers and activities of the Corporation shall be exercised and managed by the Board directly or, if delegated, under the ultimate direction of the Board as further set forth in these Bylaws.

Section 2. Number and Qualification of Directors. The Board shall consist of a minimum of eleven (11) and a maximum of thirteen (13) members, the exact number to be fixed by a Resolution of the Board. At all times, the Board shall consist of: (a) simple majority of members appointed by the Member (the “Majority Directors”); (b) one (1) director appointed by the incumbent Bishop of the Episcopal Diocese of California (the “Bishop” and the “Bishop’s Appointee”); (c) one (1) member nominated by the resident body as provided in Section 1771.8 of the California Health and Safety Code (the “Resident Director”); and (d) the remaining members (the “At-Large Directors”) appointed by the Board. All director appointments are subject to the approval of the Board. All directors must have demonstrated experience, expertise, or interest and commitment to the operation of continuing care retirement communities and of the obligations imposed on a holder of a certificate of authority issued by the California Department of Social Services. Directors shall be elected in the manner hereinafter specified, provided that at least a majority of the whole Board shall be members in good standing of a parish or mission in their Episcopal Diocese or presbyters canonically resident in their diocese. None of the directors of the Corporation may be currently serving members of the board of directors of the Member.
Section 3. Limitations on Interested Persons. At all times, not more than forty-nine percent of the directors of the Corporation may be interested persons. An interested person means either:

A. any person currently being compensated by the Corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

B. any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Election and Term of Office. Subject to the approval of the Board, directors shall be appointed by the respective bodies set forth in Section 2 of this Article at the annual meeting of the Corporation and Member. In the event that a candidate is not approved by the Board, the Board Development Committee shall continue to identify qualified persons until the required number of directors acceptable to the Board is approved. The directors shall have staggered terms of office for three years (or until their successor is duly elected) so that approximately one-third of directors’ terms expire each year. Directors appointed after the effectiveness of these Bylaws may serve only three (3) consecutive terms. If, after the expiration of three (3) terms, a director does not serve on the Board for one (1) year, he or she may return to serve on the Board. Any reduction of the number of directors authorized in the Articles of Incorporation or these Bylaws does not remove any director prior to the expiration of such director’s term of office. No amendment of the Articles of Incorporation or these Bylaws may extend the term of a director beyond that for which the director was elected. All directors shall hold office until the election at the annual meeting in the year of the expiration of their terms, and the qualification of their successors.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason, including newly created seats. A vacancy in the office of any director shall be filled for the remainder of the term as set forth in Section 4 of this Article, in a manner consistent with the terms of the Articles of Incorporation and these Bylaws.

Section 6. Resignation and Removal of Directors. Resignations shall be effective upon receipt in writing by the Chair of the Board, the President/Chief Executive Officer, or the Secretary of the Corporation, unless a later effective date is specified in the resignation. Directors may be removed from office, with or without cause, by the designated bodies as set forth in Section 2 of this Article. Upon the resignation or removal of a Director, the Board Development Committee shall follow the procedures set
forth in Section 4 of this Article for his or her replacement to fill the resulting vacancy and serve the remainder of the term. A majority of the directors at any meeting of the Board may remove from office of any director who fails to attend three (3) or more successive meetings of the Board without reasonable cause that is acceptable to the Board.

Section 7. **Annual Meeting.** A meeting of the Board shall be held at least once a year. Annual meetings shall be called by the Chair of the Board, the President/Chief Executive Officer, or any two directors, and noticed in accordance with Section 9 of this Article.

Section 8. **Special Meetings.** Special meetings of the Board may be called by the Chair of the Board, the President/Chief Executive Officer, or any two directors, and noticed in accordance with Section 9 of this Article.

Section 9. **Notice of Meetings.** Notice of the annual meeting and any special meetings of the Board shall state the date, place, and time of the meeting and shall be given to each director at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article XII Section 5 of these Bylaws.

Section 10. **Waiver of Notice.** Notice of a meeting need not be given to a director who provides a waiver of notice or consent to holding the meeting or an approval of the minutes thereof in writing, whether before or after the meeting. Notice need not be given to a director who attends the meeting without protesting the lack of notice to that director, either prior to or at the commencement of the meeting. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 11. **Quorum.** A majority of the authorized number of directors shall constitute a quorum. Except as otherwise provided in the Bylaws or in the California Nonprofit Public Benefit Corporation Law, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. **Action Without Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting if all directors (other than any director interested in a transaction so approved) shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and the action shall have the same force and effect as the unanimous vote of such directors.
Section 13. **Telephone and Electronic Meeting.** Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission so long as all of the following apply:

A. each director participating in the meeting can communicate with all of the other directors concurrently; and

B. each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

Section 14. **Extraordinary Majority Votes.**

A. **Super-Majority Voting Requirements.** Any provisions of these Bylaws notwithstanding, none of the following actions shall be taken or approved by the Board unless the affirmative vote of three-fourths (3/4) of all of the directors present in a meeting at which a quorum was obtained:

(i) amendment or restatement of the Articles of Incorporation or these Bylaws;

(ii) sale or disposition of the Corporation’s assets, which represent twenty percent or more of the net book value of the Corporation’s assets as shown on its most recent audited financial statements.

(iii) approval or adoption of the Corporation’s annual operating and capital budgets (including adjustments to monthly care fees charged to CCRC residents);

(iv) incurring new bond indebtedness or refinancing existing bonded indebtedness;

(v) approval of any material agreements between the Corporation and the Member, including but not limited to a management services agreement, which management agreement shall provide for a termination without penalty upon thirty days written notice; and the approval of any charges or allocations from the Member for providing other services to the Corporation;

(vi) any material changes to the Corporation’s investment policies;

(vii) merger, consolidation, acquisition, or affiliation between the Corporation and any other entity;

(viii) dissolution of the Corporation; and

(ix) seeking the protection of bankruptcy laws or the appointment of a
receiver for the Corporation.

B. **Other Voting Requirements.** Any provisions of these Bylaws notwithstanding, none of the following actions shall be taken or approved by the Board unless the affirmative vote of a majority of the directors, together with the affirmative vote of a majority of the At-Large Directors, present in a meeting at which a quorum has been obtained:

(i) any action having a material impact on the terms of the Sponsorship Agreement by, among others, the Corporation, the Bishop and the Episcopal Church in the Diocese of California; any change in the rights of the Bishop to have a Bishop’s Representative appointed to the Board; or the elimination or substantial reduction of chaplaincies.

(ii) the loan, advance, or other transfer of property from the Corporation to the Member, other than the payment of fees or other cost allocations under a written agreement between the Corporation and the Member or its affiliates, which agreement complies with the requirements of and is approved as set forth in Article V, Section 14.A.(v) of these Bylaws, and

(iii) the appointment of any officer of the Corporation.

C. **At-Large Directors’ Special Voting Rights.** A majority of the At-Large Directors shall be solely authorized to take or approve the following actions on behalf of the Corporation:

(i) removal of the President/Chief Executive Officer of the Corporation who, after written notice, persistently and intentionally fails to act in the best interests of the Corporation; any such action shall be taken only after prior consultation with the Board.

(ii) termination of any management services agreement between the Corporation and the Member or its affiliates.

Section 15. **Standard of Care.**

A. **General.** A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:
(i). one or more officers or employees of the Corporation whom the director believes to be reliable and competent as to the matters presented;

(ii). counsel, independent accountants, or other persons as to matters which the director believes to be within such person’s professional or expert competence; or

(iii). a Board or Advisory Committee upon which the director does not serve, that is composed exclusively of directors or any combination of directors and persons described in subsections (i) and (ii) above as to matters within the Committee’s designated authority, which Committee the director believes merits confidence, so long as, in any case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VIII below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person’s obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out the Corporation’s public or charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing the Corporation’s investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation’s capital. No investment violates this Section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the Corporation.

Section 16. Director Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of the Corporation.

Section 17. Compensation. No director shall receive any compensation for his or her services as director, nor shall he or she profit by reason of his or her membership on the Board; provided that the Board or its designee may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Committees. The President/Chief Executive Officer or the Chief Financial Officer shall act as the Board’s designee for the purposes of this Section.

Section 18. Executive Compensation Review. The Board (or a Board Committee) shall review any compensation packages (including all benefits) of the
President/Chief Executive Officer and the Treasurer or Chief Financial Officer, and such other officers as may be required by law or which shall be so designated by resolution of the Board and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified. The Board or a Board Committee shall also administer the evaluation of the President/Chief Executive Officer at least annually and in conjunction with the Member’s Board of Directors.

Section 19. Executive Sessions. To the extent consistent with law and Article X of these Bylaws, meetings of the Board, Board Committee or Board Advisory Committees, or a portion of such meetings may be held in executive session, and the members of the Board or Committee may exclude any or all persons who are not voting members. Before going into executive session, the Chair must determine that the matter requires confidentiality by reason that the matter or information is related to litigation, personnel actions, proprietary information, competitive advantage or similar circumstances that are not appropriate to disclose. Such determination shall be documented in the minutes of the meeting.

ARTICLE VI

Committees

Section 1. Board Committees. The Board may, by resolution adopted by a majority of the directors then in office create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except as provided in Section 3 of this Article

Section 2. Advisory Committees. The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors of the Corporation, directors of a corporation affiliated with and under the common control of the Member or non-directors and shall be appointed by Board. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the and implementing Board decisions and policies under the supervision and control of the Board.

Section 3. Executive Committee. The Board, by resolution, may designate a minimum of five (5) directors of the Corporation to constitute an Executive Committee. The appointment of an Executive Committee shall not operate to relieve the Board or
any director of any responsibility imposed by law. No member of the Executive Committee shall continue to be a member thereof after he or she ceases to be a director of the Corporation. The Board may from time-to-time increase the number of members of the Executive Committee, change its functions, or terminate its existence. During the intervals between meetings of the Board, and subject to such limitations as may be provided by law, these Bylaws, or by resolution of the Board, the Executive Committee shall have and may exercise all the authority of the Board in the management of the Corporation. The Executive Committee shall make a full report of all actions it takes at each meeting of the Board. The Executive Committee shall also, under the direction of the Board, have general charge of the business of the Corporation and shall exercise such supervision over the business, property, contracts, interests and the affairs of the Corporation as delegated by the Board. The Executive Committee shall not have the power to do any of the following:

A. set the number of directors;
B. fill vacancies on the Board or on any Board Committee;
C. fix compensation of directors for serving on the Board or any Board Committee;
D. amend or repeal these Bylaws or adopt new Bylaws;
E. approve amendments to the Articles of Incorporation of the Corporation;
F. amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
G. create any other Board Committees or appoint the members of any Board Committees;
H. spend corporate funds to support a nominee for director;
I. approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of the Corporation;
J. appoint the President/Chief Executive Officer of the Corporation;
K. approve any change in the formal or informal expressions of philosophy or purpose of the Corporation; or
L. approve or adopt the annual operating and capital budgets.

Section 4. Audit Committee. Pursuant to the authority of Section 12586(e)(2) of the California Government Code, the Audit Committee shall be a Committee of the
board of directors of the Member.

A. Members of the Audit Committee shall be appointed by the Member in consultation with the subsidiary organizations (the “Subsidiaries”), and may include both directors of the Member or the Subsidiaries and non-directors, subject to the following limitations: (a) a majority of the members of the Audit Committee may not consist of members of the Finance Committee of the Member or the Subsidiaries; (b) the chair of the Audit Committee may not be a member of the Finance Committee of the Member or Subsidiaries; (c) the Audit Committee may not include any member of the staff or the President/Chief Executive Officer or Treasurer of the Member or Subsidiaries; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with the Member or Subsidiaries; and (e) Audit Committee members who are not directors may not receive compensation. It is preferred that the members of the Audit Committee have a background in accounting or financial management.

B. Pursuant to Section 12586(e)(2) of the California Government Code, the Audit Committee shall: (1) confer with the auditor to satisfy the Audit Committee members that the financial affairs of the Corporation are in order; (2) review and determine whether to accept the audit; (3) approve performance of any non-audit services provided to the Member or Subsidiaries; and (4) assure that any non-audit services performed by the auditing firm conform to the applicable standards for auditor independence.

C. Also pursuant to Section 12586(e)(2) of the California Government Code, and subject to the supervision of the Boards of the Member and Subsidiaries, the Audit Committee shall be responsible for recommending to the respective boards the retention and termination of the independent auditor and may negotiate the compensation of the audit firm on behalf of the respective Boards.

Section 5. Planning Committee. The committee shall include two or more Board members. The committee shall be responsible for recommending the strategic and long-range planning for the organization.

Section 6. Finance Committee. The committee shall include two or more Board members and a Resident Representative. The Committee shall be responsible for overseeing the financial affairs of the Corporation.

Section 7. Investment Committee. The Investment Committee shall include two or more Board members. The Committee shall be responsible for preserving and investing specified assets of the Corporation.

Section 8. Quality First Committee. The committee shall include two or more Board members. The committee shall be responsible for issues related to quality of
service and to monitor performance improvement initiatives and programs.

Section 9.  **Board Development Committee.** The committee shall include three or more Board members, with a majority being At-Large Directors. The committee shall be responsible for assisting the Board in identifying qualified and interested Board candidates and continuing the development of a Board that is a strong and effective policy making group.

Section 10.  **Meetings.** The Board may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.

A. **Board Committees.** Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article V of these Bylaws concerning meetings and actions of the Board, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

B. **Advisory Committees.** Subject to the authority of the Board, Advisory Committees may determine their own meeting rules. Minutes shall be kept of each meeting of any Advisory Committee and shall be filed with the corporate records.

**ARTICLE VII  
Officers**

Section 1.  **Officers.** The officers of the Corporation shall be a Chair of the Board, a Vice-Chair of the Board, a President/Chief Executive Officer, a Chief Financial Officer, a Compliance Officer and a Secretary, and such other officers as the Board may from time to time provide for and appoint. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President/Chief Executive Officer or Chair of the Board. The Chair and Vice-Chair shall be directors. The other corporate officers need not be directors.

Section 2.  **Election.** The officers of the Corporation, except such officers as may be appointed in accordance with Section 3 or Section 5 of this Article, shall be chosen annually by the Board, and each shall hold his office until their resignation or removal or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3.  **Subordinate Officers.** The Board may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may determine.
Section 4. Removal and Resignation. The President/Chief Executive Officer may be removed either with or without cause by the vote of a majority of the At-Large directors as set forth in Article V, Section 14.C.(i) of these Bylaws.

Any officer may resign at any time by giving written notice to the Board or to the President/Chief Executive Officer or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to the office.

Section 6. Chair of the Board. The Chair of the Board shall, if present, preside at all meetings of the Board and the Executive Committee and exercise and perform such other powers and duties as may be assigned by the Board.

Section 7. Vice-Chair of the Board. The Vice-Chair shall perform the duties of the Chair during the absence, refusal or inability of the Chair to act.

Section 8. President/Chief Executive Officer. The President/Chief Executive Officer shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction, and control of the business and affairs of the Corporation. This Officer shall have the general powers and duties of management usually vested in the office of President/Chief Executive Officer of a corporation, and shall have such other powers and duties as may be prescribed by the Board.

Section 9. Secretary. The Secretary or a designee shall attend all meetings of the directors and keep, or cause to be kept, a minute book or electronic minutes and the seal of the Corporation, if any, in safe custody at the principal office or such other place as the Board may order, and shall keep or cause to be kept in said minute book, minutes of all meetings of directors, with the time and place of holding, and, if special, how authorized, the notice thereof given and the names of those present, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 10. Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus. The books of account shall at all times be open to inspection by any director.
The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board; shall disburse the funds of the Corporation as may be ordered by the Board; shall render to the President/Chief Executive Officer and directors, whenever they request it, and at least quarterly, an account of all transactions and a financial report on the condition of the Corporation; and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 11. Compliance Officer. The Compliance Officer shall be responsible for administering the Corporation’s Organizational Integrity Plan and its Compliance Program required as a condition of participation in the Medicare program.

ARTICLE VIII
Certain Transactions

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, the Corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that the Corporation may advance money to a director or officer of the Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 of this Article, the Board shall not approve, or permit the Corporation to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 3. Approval. The Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. The Corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that: (a) the Corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to the Corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director’s interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before
entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the foregoing requirements, provided that, at its next meeting, the full Board determines in good faith that the Board Committee’s approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

ARTICLE IX
Indemnification and Insurance

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, the Corporation may indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, “agent” shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorneys’ fees.

Section 2. Approval of Indemnity. On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, may authorize indemnification to the extent permitted thereby. If the Board cannot do so because there is no quorum of directors who are not party to the proceeding for which indemnification is sought, the Board shall promptly call a meeting of the Member. At that meeting, the Member shall determine whether, in the specific case, the applicable standard of conduct stated in such Section has been met, and, if so, the Member may authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board may authorize the advance of expenses incurred by or on behalf of an agent of the Corporation in defending any proceeding prior to final disposition, if the Board finds that:

A. the requested advances are reasonable in amount under the circumstances; and
B. before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond the Corporation’s power to indemnify the agent under law.

ARTICLE X
Resident Representatives

Resident Representatives selected by residents of the Communities are required by Section 1771.8 of the California Health and Safety Code and participate in Board matters to the extent provided for therein. Accordingly, Resident Representatives shall be entitled (i) to attend, speak and participate in all meetings of the Board, (ii) to receive the same notice of Board and committee meetings, (iii) to receive copies of packets, minutes, and other materials as members of the Board, and (iv) to attend any executive or closed session of the Board that will address matters pertaining to annual budgets, increases in monthly care fees, indebtedness, or expansion of new and existing continuing care retirement communities.

Resident Representatives are not entitled (i) to vote at Board meetings, (ii) to serve as directors, or (iii) to place matters on the agenda at a Board or committee meeting.

One Resident Representative selected by the residents of the Communities shall be entitled (i) to attend, speak and participate in all meetings of the Finance Committee, (ii) to receive the same notice of all Finance Committee meetings as members, (iii) to receive copies of packets, minutes, and other materials as members, and (iv) to vote on matters brought before the Committee.

ARTICLE XI
Limitation on Corporate Powers

So long as the Corporation chooses to and is accepted and certified by the Convention of The Protestant Episcopal Church in the Diocese of California as a diocesan institution it will function as such and, to the extent permissible under the laws of the State, will observe and conform to all provisions of the Constitution and Canons of said church not inconsistent with the Articles of Incorporation, these Bylaws or the interests
of the Corporation.

ARTICLE XII
General Provisions

Section 1. Fiscal Year. The fiscal year of the Corporation shall end each year on the thirty-first (31st) day of March.

Section 2. Annual Reports to the Member and Directors.

A. Financial Report. Unless the Corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, within 120 days after the end of the Corporation’s fiscal year, the Board shall furnish a written report to all of the directors and the Member containing the following information:

(i) the assets and liabilities, including the trust funds of the Corporation, as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during the fiscal year;

(iii) the revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(iv) the expenses or disbursements of the Corporation, for both general and restricted purposes, for the fiscal year; and

(v) any information required by subsection B below.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without an audit from the books and records of the Corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Article XII, Section 4 of these Bylaws.

If the Corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, the report described above must be furnished only to the directors and the Member who request it in writing.

B. Report of Certain Transactions. Unless the Corporation furnishes the report required by subsection A above, within 120 days after the end of the
Corporation’s fiscal year, the Board shall furnish a written report to the Member and all of the directors of the Corporation containing the following:

(i) a description of any transaction during the previous fiscal year involving $50,000 or more between the Corporation (or its parent or subsidiary, if any) and any of its directors or officers (or those of its parent or subsidiary, if any) or any holder of more than ten percent of the voting power of the Corporation (or its parent or subsidiary, if any), including the names of the interested persons, their relationship to the Corporation, the nature of their interest in the transaction and, where practicable, the value of such interest; and

(ii) the amount and circumstances of any indemnifications or advances aggregating more than $10,000 that were paid during the fiscal year to any director or officer of the Corporation, and that were not approved by the Member.

If no transaction required to be reported has occurred during the fiscal year, no report is required for that fiscal year.

Section 3. Required Financial Audits. The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of $2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by the Corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (1) by making them available at the Corporation’s principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on the Corporation’s website.

Section 4. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, when directed to the facsimile number or electronic mail address for the corporation, Member, director or officer on record with the corporation that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form by the Corporation.

Section 5. Electronic Transmissions by the Corporation. An electronic transmission by the Corporation is valid only if the following requirements have been satisfied:
A. The person has affirmatively consented (and has not withdrawn consent) to the use of electronic transmissions;

B. The consent of the recipient was preceded by or included a clear and conspicuous statement informing the recipient of:

   (i) any right or option to have the transmissions provided on paper or in non-electronic form;

   (ii) the right to withdraw consent to the use of electronic transmissions;

   (iii) the procedure for withdrawing consent and for updating information needed to contact the Member electronically; and

   (iv) whether the consent applies only to that transmission, to specified categories of communications or to all communications from the corporation.

Section 6. Electronic Transmissions to the Corporation. An electronic transmission to the corporation is valid only if the corporation has placed in effect reasonable measures to verify that the sender is the Member or director purporting to send the transmission to the Corporation.

Section 7. Amendments. Subject to the rights of the Member as provided in Article III, Section 1.B., these Bylaws may be amended only by the voting requirements provided in Article V, Section 14.A. (i) either by unanimous written consent as provided in Article V, Section 12 or by a majority vote of the Board at any meeting of the Board provided that no amendment shall be adopted at any meeting of the Board unless notice is given for the time and in the manner specified in these Bylaws for giving notice of special meetings. The notice shall state that the matter of considering amendments to the Bylaws will be considered at the meeting and the substance of the proposed amendment or amendments to be considered.

Section 8. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

[The Certificate of Secretary follows on the next page]
CERTIFICATE OF SECRETARY

I, Mary McMullin, certify that I am presently the duly elected and acting Secretary of COVIA COMMUNITIES, a California nonprofit public benefit corporation, and that the above Bylaws, consisting of 19 pages, are the Bylaws of the Corporation as adopted by the Board of Directors, on February 8, 2018.

Mary McMullin
Secretary
Entity Status Letter

Date: 6/2/2020
ESL ID: 6401216576

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID: 0500455
Entity Name: COVIA COMMUNITIES

☐ 1. The entity is in good standing with the Franchise Tax Board.
☐ 2. The entity is not in good standing with the Franchise Tax Board.
☒ 3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701d.
☐ 4. We do not have current information about the entity.

The above information does not necessarily reflect:
- The entity’s status with any other agency of the State of California or other government agency.
- If the entity’s powers, rights, and privileges were suspended or forfeited at any time in the past, or the entity did business in California at a time when it was not qualified or not registered to do business in California:
  - The status or voidability of any contracts made in California by the entity at a time when the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
  - For entities revived under R&TC Section 23305b, any time limitations on the revivor or limitation of the functions that can be performed by the entity.

Connect With Us
Web: ftb.ca.gov
Phone: 800.852.5711 from 7 a.m. to 5 p.m. weekdays, except state holidays
       916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

FTB 4263A WEB (REV 02-2019)
COVIA COMMUNITIES
% DIANA JAMISON
2185 N CALIFORNIA BLVD STE 215
WALNUT CREEK CA 94596

Employer ID number: 94-6130471
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Aug. 09, 2018, about your tax-exempt status.

We issued you a determination letter in November 1966, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,
COVIA COMMUNITIES
% DIANA JAMISON
2185 N CALIFORNIA BLVD STE 215
WALNUT CREEK CA 94596

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,

Kim A. Billups, Operations Manager
Accounts Management Operations
CERTIFICATE OF CORRECTION
OF
CERTIFICATE OF AMENDMENT
OF
SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
COVIA AFFORDABLE COMMUNITIES,
a California Nonprofit Public Benefit Corporation

The undersigned certify that:

1. They are the President and the Secretary respectively of COVIA AFFORDABLE COMMUNITIES, a California Nonprofit Public Benefit Corporation.

2. The name of the corporation is COVIA AFFORDABLE COMMUNITIES, and it is a California Nonprofit Public Benefit Corporation.

3. The instrument being corrected is entitled "CERTIFICATE OF AMENDMENT OF SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF LYTTON GARDENS SENIOR COMMUNITIES", and said instrument was filed with the Secretary of State of California on February 9, 2018.

4. The Secretary of the corporation in the signature block of said Certificate of Amendment of Second Amended and Restated Articles of Incorporation, as corrected, should be listed as: Jonathan Casey.

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

Date: 3-20-2018

By: [Signature]
Name: Kevin Gerber
Title: President

Date: 3-20-2018

By: [Signature]
Name: Jonathan Casey
Title: Secretary
I hereby certify that the foregoing transcript of [number] page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

MAR 22 2018

[Signature]
ALEX PADILLA, Secretary of State
CERTIFICATE OF AMENDMENT OF
THE SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
LYTTON GARDENS SENIOR COMMUNITIES
A California Nonprofit Public Benefit Corporation

This Certificate of Amendment of the Second Amended and Restated Articles of Incorporation is submitted for filing under the applicable provisions of the California Corporations Code.

The undersigned certify that:

1. They are the president and the secretary, respectively, of Lytton Gardens Senior Communities, a California nonprofit corporation.

2. Article I of the Second Amended and Restated Articles of Incorporation is amended to read as follows:

   "The name of the corporation is COVIA AFFORDABLE COMMUNITIES."

3. The foregoing Certificate of Amendment of the Second Amended and Restated Articles of Incorporation has been duly approved by the board of directors.

4. Member approval was by the required vote of the members in accordance with California Corporations Code section 5812.

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

Date: February 9, 2018

[Signature]
Name: Kevin Gerber
Title: President

Date: February 9, 2018

[Signature]
Name: Mary McMullin
Title: Secretary
I hereby certify that the foregoing transcript of _______ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

FEB 12 2018

Date:

ALEX PADILLA, Secretary of State
CERTIFICATE OF AMENDMENT AND RESTATEMENT
OF THE
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
LYTTON GARDENS SENIOR COMMUNITIES
a California Nonprofit Public Benefit Corporation

The undersigned certify that:

1. They are the President/CEO and Secretary, respectively, of Lytton Gardens Senior Communities, a California nonprofit public benefit corporation.

2. The Amended and Restated Articles of Incorporation of the said corporation are hereby amended and restated as set forth in the attached Second Amended and Restated Articles of Incorporation, which are incorporated by this reference as if set forth in full in this Certificate.

3. The attached amendment and restatement of Amended and Restated Articles of Incorporation has been duly approved by the board of directors.

4. The attached amendment and restatement of the Amended and Restated Articles of Incorporation has been duly approved by the required vote of the members.

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

Date: January 27, 2016

Kevin J. Gerber, President/CEO

Jon Casey, Secretary
SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
LYTTON GARDENS SENIOR COMMUNITIES
a California Nonprofit Public Benefit Corporation

ARTICLE I

The name of this corporation is Lytton Gardens Senior Communities.

ARTICLE II

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

ARTICLE III

A. This corporation is organized and operated exclusively for the purposes set forth in Article III B hereof within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 214 of the California Revenue and Taxation Code (the "R and T Code").

B. The specific and primary purpose of this corporation is to provide organizational, funding and management services to such affiliated nonprofit public benefit corporations as may from time to time be organized and operated to provide health care services, supportive services and/or housing to low-income persons, the elderly and others with special needs. The general purposes and powers are to have and exercise all rights and powers conferred on nonprofit public benefit corporations under the laws of California, provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

C. Notwithstanding any other provision of these Articles, this corporation shall not engage in any activity which is not permitted to be engaged in: (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code; (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code; (c) by a public charity described in Section 509(a)(1), (2) or (3) of the Code; or (d) by a corporation exempt from state income tax under Section 23710d of the R and T Code.
ARTICLE IV

A. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

B. The property of this corporation is irrevocably dedicated to charitable purposes with the meaning of Section 501(c)(3) of the Code and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

C. Upon the liquidation, dissolution or abandonment of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes meeting the requirements of Section 214 of the R and T Code and which has established its tax exempt status under Section 501(c)(3) of the Code.

ARTICLE V

JMT Communities, a California nonprofit public benefit corporation, shall be the sole member of the corporation, as the term "member" is defined in Section 5056 of the California Nonprofit Corporation Law.
I hereby certify that the foregoing transcript of ___ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JAN 28 2016

Date: ____________________________

[Signature]
ALEX PADILLA, Secretary of State
AMENDED AND RESTATED BYLAWS

OF

COVIA AFFORDABLE COMMUNITIES

A California nonprofit public benefit corporation
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AMENDED AND RESTATED BYLAWS
OF
COVIA AFFORDABLE COMMUNITIES
a California nonprofit public benefit corporation

ARTICLE I

NAME; PRINCIPAL OFFICE

The name of this corporation is “Covia Affordable Communities” (the “Corporation”). The principal office of this Corporation shall be located at 2185 North California Blvd., Suite 575, Walnut Creek, California 94595 or at such other location as the Board of Directors of this Corporation (the “Board”) may from time to time establish.

ARTICLE II

MEMBER

Unless and until the bylaws of this Corporation are amended to provide otherwise, Covia Group, a California nonprofit public benefit corporation (the “Member”) shall be the sole member of this Corporation, as the term “member” is defined in Section 5056 of the California Nonprofit Public Benefit Corporation Law. The Member shall act through its own Board of Directors in accordance with the Member’s Articles of Incorporation and Bylaws. The function of the Member shall be to elect the Board and to perform other duties as the Board may from time to time assign or establish with the prior approval of the Member.

ARTICLE III

MEMBERSHIP RIGHTS

Section 1. Voting Rights. Subject to these Bylaws, the Member shall have the right to vote, as set forth in these Bylaws, on:

(i) the approval of Majority Directors from a slate provided by this Corporation as provided in Article V, Section 2;

(ii) the removal of Majority Directors pursuant to Section 5222 of the California Nonprofit Public Benefit Corporation Law;

(iii) any amendment to these Bylaws that materially and adversely affects member voting rights, and all amendments to the Articles of Incorporation of this Corporation, except for amendments permitted to be adopted by the Board alone under Section 5812(b) of the California Nonprofit Public Benefit Corporation Law;
Corporation;

(iv) the disposition of all or substantially all of the assets of this Corporation;

(v) any merger of this Corporation;

(vi) any dissolution of this Corporation;

(vii) any change in the formal or informal expressions of philosophy or purpose of this Corporation;

(viii) any other matters that must properly be presented to the Member for a vote, pursuant to this Corporation’s Articles of Incorporation, Bylaws, or action of the Board, or by operation of law.

Section 2. Inspection Rights.

(a) Articles and Bylaws. This Corporation shall keep at its principal office in California current copies of the Articles of Incorporation and Bylaws of this Corporation, which shall be open to inspection by the Member at all reasonable times. If this Corporation has no principal office in California, the Secretary shall furnish such copies to the Member on written request therefor.

(b) Accounting Records; Minutes. On written request, the Member (in person or through an agent or attorney) may inspect and copy the accounting books and records of this Corporation and the minutes of the proceedings of the Board, or any Board Committee, at any reasonable time and for a purpose reasonably related to the Member’s interests as a member.

(c) Membership Records. The right of the Member to have access to the membership records of this Corporation shall be governed by Sections 6330 through 6332 of the California Nonprofit Public Benefit Corporation Law.

Section 3. Other Rights. In addition to the rights described in these Bylaws, the Member of this Corporation shall have any other rights afforded voting members under the California Nonprofit Public Benefit Corporation Law.

ARTICLE IV

MEMBER MEETINGS AND VOTING

Section 1. Annual Member Meetings. An annual meeting of the Member will be held at a date, place, and time determined by the Board, for the purpose of electing directors and transacting such business as may come before the meeting.

Section 2. Special Meetings of the Member. Special meetings of the Member may be called (i) by the Board, the Chair of the Board (if any), or the President/Chief Executive Officer (if any), or (ii) by the Member.
Section 3. **Time and Manner of Notice of Meetings.** The Secretary shall give written notice of each Member’s meeting to the Member. The notice shall be delivered to the last address provided by the Member to this Corporation for purposes of notice, either personally or by telegram, facsimile transmission, electronic transmission in compliance with Article X, Section 5, or first-class, registered, or certified mail not less than ten nor more than ninety days before the date of such meeting, or by other mail not less than twenty nor more than ninety days before the date of such meeting.

Section 4. **Contents of Notice.** The notice shall state the place, date and time of the meeting and (a) in the case of special meetings, the general nature of the business to be transacted, and no other business may be transacted; or (b) in the case of the annual meeting, the names of all those who are nominees for director as of the date of the notice, and those matters which the Board, as of the date of the notice, intends to present for action by the Member, but any proper matter may be presented at the annual meeting for such action.

Section 5. **Manner of Action.** All actions required or permitted to be taken by the Member under these Bylaws, the Articles of Incorporation, or the laws of the State of California may be taken by the Member through a majority vote of its duly appointed Board of Directors or through a duly authorized officer of the Member appointed by its Board of Directors. Any action required or permitted to be taken by the Member at a meeting, may be taken without a meeting if the Member shall consent to such action in writing. If action is taken by written consent, the consent shall be filed with the corporate minutes.

**ARTICLE V**

**BOARD OF DIRECTORS**

Section 1. **Corporate Powers; Exercise By Board.** This Corporation shall have powers to the full extent allowed by law. All powers and activities of this Corporation shall be exercised and managed by the Board of this Corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. **Number and Qualification of Directors.** The Board shall consist of nine (9) members consisting of five (5) directors appointed by the Member (the “Majority Directors”) and four (4) directors appointed by the Board (the “At-Large Directors”). All director appointments are subject to the approval of the Board. All directors shall have demonstrated an interest and commitment to preserving and maintaining high quality, non-sectarian, low-income housing for low income residents and patients in the greater Palo Alto Area and elsewhere.

Section 3. **Limitations on Interested Persons.** At all times, not more than forty-nine percent of the directors of this Corporation may be interested persons. An interested person means either:

(i) any person currently being compensated by this Corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time
employee, independent contractor, or otherwise, excluding any reasonable compensation paid to
a director in his or her capacity as director; or

(ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Election and Term of Office of Directors. All directors shall be nominated
by the Corporation and the Majority Directors shall be appointed by the Member at the annual
meeting of the Member from the list of qualified candidates submitted by the Corporation. The
At-Large Directors shall be appointed by the Corporation’s Board from the list of qualified
candidates submitted by the Corporation. The directors shall have staggered terms of office for
three years so that approximately one-third of directors’ terms shall expire each year. Directors
may serve only three (3) consecutive terms on the Board, however, if a director is appointed mid-
term, he or she shall be eligible to serve for three (3) full terms thereafter. If after the expiration
of three (3) consecutive terms, a director does not serve on the Board for one (1) year, he or she
may return to serve on the Board. Any reduction of the number of directors authorized in the
Articles of Incorporation or these Bylaws does not remove any director prior to the expiration of
such director's term of office. No amendment of the Articles of Incorporation or these Bylaws
may extend the term of a director beyond that for which the director was elected. All directors
shall hold office until the election at the annual meeting in the year of the expiration of their
terms, and the qualification of their successors. In the event of a change in the number of
directors, the staggering of terms shall be preserved.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event
that the actual number of directors is less than the authorized number for any reason, including
newly created seats. A vacancy in the office of any director shall be filled for the remainder of
the term at a regular or special meeting of the Member or the Corporation, in a manner consistent
with the terms of the Articles of Incorporation and these Bylaws. A director chosen to fill a
vacancy shall serve the unexpired portion of the term of his or her predecessor in office.

Section 6. Resignation and Removal of Directors. Resignations shall be effective
upon receipt in writing by the Chair of the Board (if any), the President/Chief Executive Officer
(if any), or the Secretary of this Corporation, unless a later effective date is specified in the
resignation. Directors may be removed from office by the Member or the Corporation. The
Member may remove a Majority Director at any time, with or without cause. The Corporation
may remove an At-Large Directors at any time, with or without cause. A majority of the
directors at any meeting of the Board may recommend to the Member or Corporation the
removal from office of any director if he/she shall fail to attend three or more successive
meetings of the Board without reasonable cause that is acceptable to the Board.

Section 7. Annual Board Meetings. A meeting of the Board shall be held at least
once a year. Annual meetings shall be called by the Chair of the Board (if any), the
President/Chief Executive Officer (if any), or any two directors, and noticed in accordance with
Section 10 of this Article.
Section 8. **Special Board Meetings.** Special meetings of the Board may be called by the Chair of the Board (if any), the President/Chief Executive Officer (if any), or any two directors, and noticed in accordance with Section 9 of this Article.

Section 9. **Notice.** Notice of the annual meeting and any special meetings of the Board shall state the date, place, and time of the meeting and shall be given to each director at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article X, Section 4 of these Bylaws.

Section 10. **Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present provides in writing a waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. **Quorum.** A majority of the authorized number of directors shall constitute a quorum. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in Article V, Section 12 (taking action without a meeting); Article VI, Section 1 (appointing Board Committees); Article VIII, Section 2 (approving self-dealing transactions); Article IX, Section 2 (approving indemnification); and Article X, Section 6 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. **Action Without a Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board (other than any director interested in a transaction so approved) shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such directors.

Section 13. **Telephone and Electronic Meetings.** Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article X, Section 4 of these Bylaws so long as all of the following apply:

(i) each director participating in the meeting can communicate with all of the other directors concurrently; and
(ii) each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by this Corporation.

Section 14. **Standard of Care.**

(a) **General.** A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of this Corporation whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person’s professional or expert competence; or

(iii) a Board Committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such Committee merits confidence; so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article IX below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person’s obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which this Corporation, or assets held by it, are dedicated.

(b) **Investments.** Except with respect to assets held for use or used directly in carrying out this Corporation’s public or charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing this Corporation’s investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of this Corporation’s capital. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this Corporation.

Section 15. **Director Inspection Rights.** Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this Corporation.
Section 16. **Compensation of Directors.** No director shall receive any compensation for his or her services as directors, nor shall he or she profit by reason of his or her membership on the Board; provided that the Board may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Board Committees.

Section 17. **Executive Compensation Review.** The Board (or a Board Committee), in conjunction with Covia Communities ("CC") and the Member, shall review any compensation packages (including all benefits) of the President/Chief Executive Officer and the Treasurer or chief financial officer, regardless of job title, and such other officers as may be required by law or which shall be so designated by resolution of the Board from time to time, and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this Corporation. The Board shall also administer, in conjunction with CC and the Member, the evaluation of the President/Chief Executive Officer at least annually.

**ARTICLE VI**

**COMMITTEES**

Section 1. **Board Committees.** The Board may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

(i) fill vacancies on the Board or on any Board Committee;

(ii) fix compensation of directors for serving on the Board or any Board Committee;

(iii) amend or repeal these Bylaws or adopt new Bylaws;

(iv) approve amendments to the Articles of Incorporation of this Corporation;

(v) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(vi) create any other Board Committees or appoint the members of any Board Committees;

(vii) spend corporate funds to support a nominee for director after there are more nominees than can be elected;
(viii) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this Corporation;

(ix) appoint the President/Chief Executive Officer of this Corporation;

(x) approve any change in the formal or informal expressions of philosophy or purpose of this Corporation; or

Section 2. Executive Committee. There shall be an Executive Committee consisting of the Chair and Vice-Chair of the Board and two other members of the Board as the Board may appoint with such powers and authority in the management of the business and affairs of the Corporation as the Board may delegate to it including the power to call special meetings but not the power to adopt, amend or repeal the Bylaws.

Section 3. Advisory Committees. The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors of the Corporation, directors of a corporation affiliated with and under the common control of JTM Communities, or non-directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of this Corporation, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

Section 4. Audit Committee. For any tax year in which this Corporation has gross revenues of $2 million or more, this Corporation shall have an Audit Committee whose members shall be appointed by the Board, and who may include both directors of this Corporation, directors of a corporation affiliated with and under the common control of the Member, and non-directors, subject to the following limitations: (a) a majority of the members of the Audit Committee may not consist of members of the Finance Committee, if any; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include any member of the staff or the President/Chief Executive Officer or Treasurer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this Corporation; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board service. It is preferred that the members of the Audit Committee have a background in accounting or financial management. As permitted under Section 12586(e)(2) of the California Government Code, the Audit Committee may be part of the Board of Directors of a controlling corporation.

The Audit Committee shall: (1) recommend to the Board the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2) negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this Corporation are in order, (4) review and determine whether to accept the audit, and (5) approve performance of any non-audit services provided to this Corporation by the auditor's firm.
Section 5. **Finance Committee.** This Advisory Committee shall include three or more Board members and may include other persons who are not members of the Board. Its primary responsibilities shall be to oversee the financial affairs of the Corporation including, but not limited to, review of the balance sheet and reserves; the annual operating and capital budgets; financial operating performance; applicable rate changes; the financial feasibility of Corporate projects; the review of executive salaries and benefits; other undertakings referred to it by the Board and to make recommendations regarding these matters to the Board.

Section 6. **Meetings.**

(a) **Of Board Committees.** Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article V of these Bylaws concerning meetings and actions of the Board, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

(b) **Of Advisory Committees.** Subject to the authority of the Board, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.

**ARTICLE VII**

**OFFICERS**

Section 1. **Officers.** The officers of this Corporation shall be a Chair of the Board, a President/Chief Executive Officer, a Secretary, a Chief Financial Officer and such other officers with such titles and duties as shall be determined by the Board. Any number of offices may be held by the same person except that the Secretary and the Chief Financial Officer may not serve concurrently as either the President/Chief Executive Officer or the Chair of the Board. The Board may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may determine by Resolution.

Section 2. **Election.** With the exception of the President/Chief Executive Officer who shall be appointed by the Member, the officers of this Corporation shall be elected annually by the Board, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. **Removal.** Subject to the rights, if any, of an officer under any contract of employment, any officer other than the President/Chief Executive Officer may be removed, with or without cause, by the Board or by an officer on whom such power of removal may be conferred by the Board.
Section 4. **Resignation.** Any officer may resign at any time by giving written notice to this Corporation. Any resignation shall take effect on receipt of that notice by such officer or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this Corporation under any contract to which the officer is a party.

Section 5. **Vacancies.** A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. **Chair of the Board.** The Chair of the Board shall preside at all meetings of the Board and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 7. **President/Chief Executive Officer.** The President/Chief Executive Officer shall be the chief executive officer of this Corporation and shall, subject to control of the Board, generally supervise, direct and control the business and other officers of this Corporation. The President/Chief Executive Officer shall have the general powers and duties of management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. **Secretary.** The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Member and the Board and its committees, if any, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books and membership records of this Corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. **Chief Financial Officer.** The Chief Financial Officer shall supervise the charge and custody of all funds of this Corporation, the deposit of such funds in the manner prescribed by the Board, and the keeping and maintaining of adequate and correct accounts of this Corporation’s properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

**ARTICLE VIII**

**CERTAIN TRANSACTIONS**

Section 1. **Loans.** Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this Corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this Corporation may advance money to a director or officer of this Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. **Self-Dealing Transactions.** Except as provided in Section 3 of this Article, the Board shall not approve, or permit this Corporation to engage in, any self-dealing transaction.
A self-dealing transaction is a transaction to which this Corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 3. Approval. This Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This Corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) this Corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to this Corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director’s interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the foregoing requirements, provided that, at its next meeting, the full Board determines in good faith that the Board Committee’s approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this Corporation may indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, “agent” shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorneys’ fees.

Section 2. Approval of Indemnity. On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, may authorize indemnification to the extent permitted thereby. If the Board cannot do so because there is no quorum of directors who are not party to the proceeding for which indemnification is sought, the Board shall promptly call a meeting of the Member. At that meeting, the Member shall determine whether, in the specific case, the applicable standard of conduct stated in such
Section has been met, and, if so, the Member may authorize indemnification to the extent permitted thereby.

Section 3. **Advancing Expenses.** The Board may authorize the advance of expenses incurred by or on behalf of an agent of this Corporation in defending any proceeding prior to final disposition, if the Board finds that:

(i) the requested advances are reasonable in amount under the circumstances; and

(ii) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. **Insurance.** The Board may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond this Corporation’s power to indemnify the agent under law.

**ARTICLE X**

**MISCELLANEOUS**

Section 1. **Fiscal Year.** The fiscal year of this Corporation shall end each year on the thirty-first (31st) day of March.

Section 2. **Annual Reports to the Member and Directors.**

(a) **Financial Report.** Unless this Corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, within 120 days after the end of this Corporation’s fiscal year, the Board shall furnish a written report to all of the directors and the Member containing the following information:

(i) the assets and liabilities, including the trust funds of this Corporation, as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during the fiscal year;

(iii) the revenue or receipts of this Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;
(iv) the expenses or disbursements of this Corporation, for both general and restricted purposes, for the fiscal year; and

(v) any information required by subsection (b) below.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Article X, Section 4 and Section 5 of these Bylaws.

If this Corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, the report described above must be furnished only to the directors and the Member who requests it in writing.

(b) Report of Certain Transactions. Unless this Corporation furnishes the report required by subsection A above, within 120 days after the end of this Corporation's fiscal year, the Board shall furnish a written report to the Member and all of the directors of this Corporation containing the following:

(i) a description of any transaction during the previous fiscal year involving $50,000 or more between this Corporation (or its parent or subsidiary, if any) and any of its directors or officers (or those of its parent or subsidiary, if any) or any holder of more than ten percent of the voting power of this Corporation (or its parent or subsidiary, if any), including the names of the interested persons, their relationship to this Corporation, the nature of their interest in the transaction and, where practicable, the value of such interest; and

(ii) the amount and circumstances of any indemnifications or advances aggregating more than $10,000 that were paid during the fiscal year to any director or officer of this Corporation, and that were not approved by the Member.

If no transaction required to be reported has occurred during the fiscal year, no report is required for that fiscal year.

Section 3. Required Financial Audits. This Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of $2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by this Corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (1) by making them available at this Corporation's principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on this Corporation's website.

Section 4. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message
in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from this Corporation, this Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to this Corporation, this Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 5. **Electronic Transmissions to the Member.** An electronic transmission by this Corporation to the Member is valid only if the following requirements have been satisfied:

(a) The Member has affirmatively consented (and has not withdrawn consent) to the use of electronic transmissions;

(b) Prior to consenting, the Member was provided with a clear and conspicuous statement informing the Member of:

(i) any right or option to have the transmissions provided in non-electronic form;

(ii) the right to withdraw consent to the use of electronic transmissions and any conditions or consequences of such withdrawal;

(iii) the procedure for withdrawing consent and for updating information needed to contact the Member electronically; and

(iv) the procedure for obtaining a paper copy of an electronic transmission upon request and whether any fee will be charged for such copy.

(c) Prior to consenting, the Member was provided with a statement of the hardware and software requirements for access to and retention of the electronic transmissions, and consented electronically in a manner that reasonably demonstrates that the Member can access information in the electronic form that will be used.

If a change in the hardware or software requirements creates a material risk that the Member will not be able to access or retain the electronic transmissions, this Corporation shall provide a statement of the revised hardware and software requirements necessary, as well as the Member’s right to withdraw consent without the imposition of any fees for such withdrawal.

Section 6. **Amendments.** These Bylaws may be amended only (a) upon the approval of the Member if required under Article III, Section 1, and (b) except as otherwise provided in Article V, Section 12, by a majority vote of the Board at any regular meeting of the Board or any special meeting of the Board called for that purpose, provided that no amendment shall be adopted at any meeting of the Board unless notice is either waived or given for the time and in the manner specified in these Bylaws for giving notice of special meetings, which notice shall state that the matter of considering amendments to the Bylaws will be considered at the meeting and the substance of the proposed amendment or amendments to be considered; provided that no amendment to increase or decrease the number of directors may be made without the approval of
at least seventy-five percent (75%) of the members of the Board then in office and the written consent of the Board of Directors of the Member.

Section 7. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply. All references in these Bylaws to the California Nonprofit Public Benefit Corporation Law shall be to the California Nonprofit Public Benefit Corporation Law as then in effect.

Section 8. [Reserved]

[remainder of page intentionally left blank]
CERTIFICATE OF SECRETARY

I, Jonathan Casey, certify that I am presently the duly elected and acting Secretary of Covia Affordable Communities, a California nonprofit public benefit corporation, and that the above Bylaws, consisting of 15 pages, are the Bylaws of this Corporation as adopted at a duly noticed and properly held meeting of the Board held on February 5, 2018.

DATED: March 1, 2018

Secretary
Entity Status Letter

Date: 6/2/2020
ESL ID: 8148092907

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID: 2264898
Entity Name: COVIA AFFORDABLE COMMUNITIES

☒ 1. The entity is in good standing with the Franchise Tax Board.
☐ 2. The entity is not in good standing with the Franchise Tax Board.
☒ 3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701d.
☐ 4. We do not have current information about the entity.

The above information does not necessarily reflect:
- The entity’s status with any other agency of the State of California or other government agency.
- If the entity’s powers, rights, and privileges were suspended or forfeited at any time in the past, or the entity did business in California at a time when it was not qualified or not registered to do business in California:
  - The status or voidability of any contracts made in California by the entity at a time when the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
  - For entities revived under R&TC Section 23305b, any time limitations on the revivor or limitation of the functions that can be performed by the entity.

Connect With Us

Web: ftb.ca.gov
Phone: 800.852.5711 from 7 a.m. to 5 p.m. weekdays, except state holidays
       916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

FTB 4263A WEB (REV 02-2019)
Dear Sir or Madam:

We're responding to your request dated March 22, 2018, about your tax-exempt status.

We issued you a determination letter in September 2002, recognizing you as tax-exempt under Internal (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Section 509(a)(2).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax-deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period.

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).
If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations Rulings and Agreements
CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF
EPISCOPAL SENIOR COMMUNITIES FOUNDATION
A California Nonprofit Public Benefit Corporation

This Certificate of Amendment of the Certificate of Amendment of Articles of Incorporation is submitted for filing under the applicable provisions of the California Corporations Code.

The undersigned certify that:

1. They are the president and the secretary, respectively, of Episcopal Senior Communities Foundation, a California nonprofit corporation.

2. Article I of the Articles of Incorporation is amended to read as follows:

   "The name of the corporation is COVIA FOUNDATION."

3. The foregoing Certificate of Amendment of the Certificate of Amendment of Articles of Incorporation has been duly approved by the board of directors.

4. Member approval was by the required vote of the members in accordance with California Corporations Code section 5812.

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

Date: February 9, 2018

Name: Kevin Gerber
Title: President

Date: February 9, 2018

Name: Mary McMullin
Title: Secretary
CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
EHF FUND, INC.
a California nonprofit public benefit corporation

The undersigned, William H. Tanner and Karen Huff, hereby certify that:

1. They are the duly elected and acting President and Secretary, respectively, of EHF FUND, INC., a California nonprofit public benefit corporation (the "Corporation");

2. Article I of the Articles of Incorporation of the Corporation is hereby amended to read in full as follows:

   "ARTICLE I

   The name of the corporation is: EPISCOPAL SENIOR COMMUNITIES FOUNDATION."

3. The foregoing amendment of the Articles of Incorporation of the Corporation has been duly approved by the Board of Directors of the Corporation.

4. The foregoing amendment of the Articles of Incorporation of the Corporation has been duly approved by its sole corporate member.

[Remainder Intentionally Left Blank]
Each of the undersigned declares under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate of Amendment are true and correct of his or her own knowledge.

IN WITNESS WHEREOF, the undersigned executed this Certificate of Amendment on November 12, 2007.

William H. Tanner
Executive Director

Karen Huff
Secretary
ARTICLES OF INCORPORATION
OF
EHF FUND, INC.

ARTICLE I

The name of the corporation is: EHF FUND, INC.

ARTICLE II

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

ARTICLE III

A. The specific and primary purposes of the Corporation are:

1. To establish and permanently maintain funds to benefit and provide continuing financial support of the capital, benevolence and assistance needs of Episcopal Homes Foundation, a tax exempt nonprofit public benefit corporation, doing business as Episcopal Homes Foundation (hereinafter “EHF”) or its successors;

2. To solicit, attract and receive contributions of cash, securities and property of any other kind or description from individuals, corporations, and other business or governmental entities to establish and maintain the Corporation’s funds;

3. To prudently maintain and invest the assets of the Corporation to accomplish the purposes of the Corporation;

4. To make distributions to EHF or its successors, to provide support for EHF’s capital, social benevolence, resident assistance, community services and promotion of diversity needs;

5. To establish, from time to time, investment policies and distribution policies to accomplish the purposes of the Corporation.
B. The Corporation shall also have as its general purposes and powers the right to hold, possess and exercise all rights and powers conferred on nonprofit public benefit corporations under the laws of California, provided, however, that the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this Corporation.

C. The Corporation shall not carry on propaganda or otherwise attempt to influence legislation to such extent as would result in the loss of exemption under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these Articles, this Corporation shall not engage in any activity that is not permitted to be engaged in: (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and Section 23701d of the Revenue and Taxation Code of the State of California, as amended; (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended; or (c) by a public charity described in Section 509(a)(1), (2) or (3) of the Internal Revenue Code of 1986, as amended.

ARTICLE IV

All properties, moneys and assets of the Corporation are irrevocably dedicated to charitable purposes and shall not inure to the benefit of any private individual. In the event that the Corporation shall be dissolved and wound up at any time, then all the properties, moneys and assets of the Corporation remaining after provision has been made for payment of its known debts and liabilities as provided by law, shall be transferred exclusively to and become the property of EHF, provided that EHF is still in existence and still qualifies as an exempt organization under the Internal Revenue Code provisions hereinafter referred to, but, if it is not, to such other nonprofit funds, foundations or corporations as are selected and designated by the Board of Trustees of the Corporation, which are organized and operated exclusively for educational, charitable, or scientific purposes, and which shall at that time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of the United
States as that section exists or may subsequently be amended, with preference being given to organizations providing housing, care or services to elderly persons.

ARTICLE V

The name and address in the State of California of the Corporation's initial agent for service of process is:

William H. Tanner
3650 Mt. Diablo Boulevard, Suite 100
Lafayette, California 94549

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 10th day of July, 2002.

James Atencio, Incorporator
AMENDED AND RESTATED BYLAWS
OF
COVIA FOUNDATION

ARTICLE I
Principal Office

The principal office of this corporation shall be located in the county of Contra Costa, California or at such other location as the Board of Directors of this corporation (the "Board") may from time to time establish.

ARTICLE II
Purpose

The purposes of this Corporation are to establish, maintain, solicit contributions for, invest and maintain assets for and make distributions from the Corporation for the continuing financial support of the capital, benevolence, and assistance needs of Covia Communities, a California nonprofit public benefit corporation.

ARTICLE III
Membership

Unless and until the Articles of Incorporation of this corporation are amended to provide otherwise, Covia Communities, a California nonprofit public benefit corporation (the "Member") shall be the sole member of this corporation. The Member shall act through its own Board of Directors in accordance with the Member's Articles of Incorporation and Bylaws. The function of the Member shall be to elect certain members of the Board of Directors of this corporation (the "Board") and to perform other duties as set forth in these Bylaws.

ARTICLE IV
Membership Rights

Section 1. Voting Rights. Subject to these Bylaws, the Member shall have the right to vote, as set forth in these Bylaws, on:

(a) the election of directors as set forth in these Bylaws;

(b) any amendment to these Bylaws that materially and adversely affects member voting rights; or
(c) any other matters that may properly be presented to the Member for a vote, pursuant to this corporation's Articles of Incorporation, Bylaws, or action of the Board, or by operation of law.

Section 2. Inspection Rights.

A. Articles and Bylaws. This corporation shall keep at its principal office in California current copies of the Articles of Incorporation and Bylaws of this corporation, which shall be open to inspection by the Member at all reasonable times. If this corporation has no principal office in California, the Secretary shall furnish such copies to the Member on written request therefor.

B. Accounting Records; Minutes. On written request, the Member (in person or through an agent or attorney) may inspect and copy the accounting books and records of this corporation and the minutes of the proceedings of the Member, the Board, or any Board Committee, at any reasonable time and for a purpose reasonably related to the Member's interests as a member.

C. Membership Records. The right of the Member to have access to the membership records of this corporation shall be governed by Sections 6330 through 6332 of the California Nonprofit Public Benefit Corporation Law.

D. Other Rights. In addition to the rights described in these Bylaws, the Member of this corporation shall have any other rights afforded voting members under the California Nonprofit Public Benefit Corporation Law.

ARTICLE V
Member Meetings and Voting

Section 1. Annual Member Meetings. An annual meeting of the Member will be held at a date, place, and time determined by the Member, for the purpose of electing directors and transacting such business as may come before the meeting.

Section 2. Special Meetings of the Member. Special meetings of the Member may be called by the Member upon request by the Board, the Chairman of the Board, or the President/Chief Executive Officer.

Section 3. Time and Manner of Notice of Meetings. The Secretary shall give written notice of each Member’s meeting to the Member. The notice shall be delivered to the last address provided by the Member to this corporation for purposes of notice, either personally or by telegram, facsimile transmission, electronic transmission in compliance with Article XIII, Section 5, or first-class, registered, or certified mail not less than ten nor more than ninety days before the date of such meeting, or by other mail not less than twenty nor more than ninety days before the date of such meeting.
Section 4. **Contents of Notice.** The notice shall state the place, date and time of the meeting and (a) in the case of special meetings, the general nature of the business to be transacted, and no other business may be transacted; or (b) in the case of the annual meeting, the names of all those who are nominees for director as of the date of the notice, and those matters which the Board, as of the date of the notice, intends to present for action by the Member, but any proper matter may be presented at the annual meeting for such action.

Section 5. **Manner of Action.** All actions required or permitted to be taken by the Member under these Bylaws, the Articles of Incorporation, or the laws of the State of California may be taken by the Member through a majority vote of its duly appointed Board of Directors or through a duly authorized officer of the Member appointed by its Board of Directors. Any action required or permitted to be taken by the Member at a meeting, may be taken without a meeting if the Member shall consent to such action in writing. If action is taken by written consent, the consent shall be filed with the corporate minutes.

**ARTICLE VI**

**The Board of Directors**

Section 1. **Management Powers Vested.** This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of this corporation directly or, if delegated, under the ultimate direction of the Board as further set forth in these bylaws.

Section 2. **Number and Qualification of Directors.** The Board shall consist of a range between five (5) and twenty-five (25) members, the actual number to be fixed from time to time by resolution of the Board of the Corporation. The members of the Board shall be appointed by the Member.

Section 3. **Limitations on Interested Persons.** At all times, not more than forty-nine percent (49%) of the directors of this corporation may be interested persons. An interested person means either:

(a) any person currently being compensated by this corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.
Section 5. **Election and Term of Office.** Directors shall be elected at the annual meeting of the Member. The directors shall have staggered terms of office for three years so that approximately one-third (1/3) of directors' terms shall expire each year. Directors may serve only three (3) consecutive terms on the Board; however, if a director is appointed mid-term, he or she shall be eligible to serve for three (3) full terms thereafter. If after the expiration of three (3) terms, a director does not serve on the Board for one (1) year, he or she may return to serve on the Board. Any reduction of the number of directors authorized in the Articles of Incorporation or these Bylaws does not remove any director prior to the expiration of such director's term of office. No amendment of the Articles of Incorporation or these Bylaws may extend the term of a director beyond that for which the director was elected. All directors shall hold office until the election at the annual meeting in the year of the expiration of their terms, and the qualification of their successors. In the event of a change in the number of directors, the staggering of terms shall be preserved.

Section 6. **Vacancies.** A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason, including newly created seats. A vacancy in the office of any director shall be filled for the remainder of the term by the Member in a manner consistent with the terms of the Articles of Incorporation and these Bylaws. A director chosen to fill a vacancy shall serve the unexpired portion of the term of his or her predecessor in office.

Section 7. **Resignation and Removal of Directors.** Resignations shall be effective upon receipt in writing by the Chairman of the Board (if any), the President/Chief Executive Officer (if any), or the Secretary of this corporation, unless a later effective date is specified in the resignation. Directors may be removed from office only by the Member. The Member may remove any director at any time, with or without cause. The Member shall appoint another director to fill the resulting vacancy and serve the remainder of the term. A majority of the directors at any meeting of the Board may recommend to the Member the removal from office of any director if he shall fail to attend three (3) or more successive meetings of the Board without reasonable cause that is acceptable to the Board.

Section 8. **Regular and Annual Meetings.** The Board shall meet a minimum of four (4) times a year in February, May, August and November. The annual meetings shall be held in August and as otherwise called by the Chairman of the Board (if any), the President/Chief Executive Officer (if any), or any two directors, and noticed in accordance with Section 10 of this Article.

Section 9. **Special Meetings.** Special meetings of the Board may be called by the Chairman of the Board (if any), the President/Chief Executive Officer (if any), or any two (2) directors, and noticed in accordance with Section 10 of this Article.
Section 10. **Notice of Meetings.** Notice of the annual meeting and any special meetings of the Board shall state the date, place, and time of the meeting and shall be given to each director at least four (4) days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article XIII Section 4 of these Bylaws.

Section 11. **Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present sign a written waiver of notice, a consent to holding such meeting, or an approval of the minutes. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 12. **Quorum.** Forty percent (40%) of the authorized number of directors shall constitute a quorum. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in Article V, Section 13 (taking action without a meeting); Article V, Section 15 (establishing requirements for extraordinary majority votes); Article VI, Section 1 (appointing Board Committees); Article VIII, Section 2 (approving self-dealing transactions); Article IX, Section 2 (approving indemnification); and Article XIII, Section 6 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 13. **Action Without Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board (other than any director interested in a transaction so approved) shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such directors.

Section 14. **Telephone and Electronic Meeting.** Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article XIII, Section 4 of these Bylaws so long as all of the following apply:

(a) each director participating in the meeting can communicate with all of the other directors concurrently; and
Section 15. **Standard of Care.**

**A. General.** A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(iii) a Board Committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such Committee merits confidence; so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VI below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which this corporation, or assets held by it, are dedicated.

**B. Investments.** Except with respect to assets held for use or used directly in carrying out this corporation's public or charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing this corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of this corporation's capital. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this corporation.
Section 16. **Director Inspection Rights.** Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this corporation.

Section 17. **Compensation.** No director shall receive any compensation for his or her services as directors, nor shall he or she profit by reason of his or her membership on the Board; provided that the Board may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Board Committees.

Section 18. **Executive Sessions.** To the extent consistent with law, meetings of the Board or Board Committees, or a portion of such meetings may be held in executive session, and the members of the Board or appropriate Board Committee may exclude any or all persons who are not voting members. Before going into executive session, the members must determine by vote that the matter requires confidentiality and the reason for such determination shall be so stated in the minutes of the meeting.

ARTICLE VII
Committees

Section 1. **Board Committees.** The Board may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

(a) set the number of directors within a range specified in these Bylaws;

(b) fill vacancies on the Board or on any Board Committee;

(c) fix compensation of directors for serving on the Board or any Board Committee;

(d) amend or repeal these Bylaws or adopt new Bylaws;

(e) approve amendments to the Articles of Incorporation of this corporation;

(f) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(g) create any other Board Committees or appoint the members of any Board Committees;
(h) spend corporate funds to support a nominee for director after there are more
nominees than can be elected;

(i) approve any merger, reorganization, voluntary dissolution, or disposition of
substantially all of the assets of this corporation;

(j) appoint the President/Chief Executive Officer of this corporation;

(k) approve any change in the formal or informal expressions of philosophy or
purpose of this corporation; or

(l) approve or adopt the annual operating and capital budgets.

Section 2. Advisory Committees. The Board may establish one or more
Advisory Committees to the Board. The members of any Advisory Committee may
consist of directors of the corporation, directors of a corporation affiliated with and
under the common control of JTM Communities or non-directors and may be
appointed as the Board determines. Advisory committees may not exercise the
authority of the Board to make decisions on behalf of this corporation, but shall be
restricted to making recommendations to the Board or Board Committees, and
implementing Board or Board Committee decisions and policies under the supervision
and control of the Board or Board Committee.

Section 3. Executive Committee. The Board, by resolution adopted by a
majority of the Board, may designate a minimum of five (5) directors to constitute an
Executive Committee. The appointment of an Executive Committee shall not operate
to relieve the Board or any director of any responsibility imposed by law. No member
of the Executive Committee shall continue to be a member thereof after he or she
ceases to be a director of this corporation. The Board may from time-to-time increase
the number of members of the Executive Committee, change its functions, or terminate
its existence. During the intervals between meetings of the Board, and subject to
such limitations as may be provided by law, these Bylaws, or by resolution of the
Board, the Executive Committee shall have and may exercise all the authority of the
Board in the management of this corporation. The Executive Committee shall make a
full report of all actions it takes at each meeting of the Board. The Executive
Committee shall, under the direction of the Board, have general charge of the business
of this corporation and shall exercise such supervision over the business, property,
contracts and interests of the affairs of this corporation as delegated by the Board.

Section 4. Audit Committee. For any tax year in which this corporation has
gross revenues of $2 million or more, this corporation shall have an Audit Committee
whose members shall be appointed by the Board, and who may include both directors
and non-directors, subject to the following limitations: (a) a majority of the members
of the Audit Committee may not consist of members of the Finance Committee; (b) the
chair of the Audit Committee may not be a member of the Finance Committee; (c) the
Audit Committee may not include any member of the staff or the President/Chief Executive Officer or Treasurer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this corporation; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board service. It is preferred that the members of the Audit Committee have a background in accounting or financial management. As permitted under Section 12586(e)(2) of the California Government Code, the Audit Committee may be a part of the Board of Directors of a controlling corporation.

If the Audit Committee is composed and appointed as required by Section 1 above (concerning Board Committees), it shall be deemed a Board Committee on which the other directors are entitled to rely; otherwise, the Board shall remain responsible for oversight and supervision of the Audit Committee as an Advisory Committee.

The Audit Committee shall: (1) recommend to the Board the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2) negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order, (4) review and determine whether to accept the audit, and (5) approve performance of any non-audit services provided to this corporation by the auditor’s firm.

Section 5. Meetings.

Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article V of these Bylaws concerning meetings and actions of the Board, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

B. Advisory Committees. Subject to the authority of the Board, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.

ARTICLE VIII
Officers

Section 1. Officers. The officers of this corporation shall be a Chairman of the Board, a President/Chief Executive Officer, a Chief Financial Officer and a Secretary, and such other officers as the Board may from time to time provide for and elect. Any
number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President/Chief Executive Officer or Chairman of the Board, if any. The Chair shall be a member of the Board. The other corporate officers need not be members of the Board.

Section 2. Election. The officers of this corporation, except such officers as may be appointed in accordance with Section 3 or Section 5 of this Article, shall be chosen annually by the Board, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall he elected and qualified.

Section 3. Subordinate Officers, etc. The Board may appoint such other officers as the business of this corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4. Removal and Resignation. Any officer may be removed either with or without cause by a majority of the directors at the time in office, at any regular or special meeting of the board, or, except in case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Notwithstanding the foregoing, any officer may be removed for cause by a majority of the Corporate Governance Committee as set forth in Paragraph C, Section 15 of Article V of these Bylaws.

Any officer may resign at any time by giving written notice to the Board or to the President/Chief Executive Officer or to the Secretary of this corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to the office.

Section 6. Chair of the Board. The Chair of the Board shall, if present, preside at all meetings of the Board, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board.

Section 7. Vice-Chair of the Board. The Vice-Chair shall perform the duties of the Chair during the absence, refusal or inability of the Chair to act.

Section 8. President/Chief Executive Officer. Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, if there be such an officer, the President/Chief Executive Officer shall be the chief executive officer
of this corporation and shall, subject to the control of the Board, have general supervision, direction, and control of the business and affairs of this corporation. He shall have the general powers and duties of management usually vested in the office of President/Chief Executive Officer of a corporation, and shall have such other powers and duties as may be prescribed by the Board.

Section 9. Secretary. The Secretary shall attend all meetings of the directors and keep, or cause to be kept, a minute book and the seal of this corporation, if any, in safe custody at the principal office or such other place as the Board may order, and shall keep or cause to be kept in said minute book, minutes of all meetings of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given and the names of those present, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 10. Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of this corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus. The books of account shall at all times be open to inspection by any director.

The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of this corporation with such depositaries as may be designated by the Board; shall disburse the funds of this corporation as may be ordered by the Board; shall render to the President/Chief Executive Officer and directors, whenever they request it, and at least quarterly, an account of all transactions and a financial report on the condition of this corporation; and shall have such other powers and perform such other duties as may be prescribed by the Board.

ARTICLE IX
Certain Transactions

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 of this Article, the Board shall not approve, or permit this corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its directors has a material financial
interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 3. Approval. This corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that: (a) this corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to this corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the foregoing requirements, provided that, at its next meeting, the full Board determines in good faith that the Board Committee's approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

ARTICLE X
Indemnification and Insurance

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation may indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

Section 2. Approval of Indemnity. On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, may authorize
indemnification to the extent permitted thereby. If the Board cannot do so because there is no quorum of directors who are not party to the proceeding for which indemnification is sought, the Board shall promptly call a meeting of the Member. At that meeting, the Member shall determine whether, in the specific case, the applicable standard of conduct stated in such Section has been met, and, if so, the Member may authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board may authorize the advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition, if the Board finds that:

(a) the requested advances are reasonable in amount under the circumstances; and

(b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, and such insurance may provide for coverage against liabilities beyond this corporation's power to indemnify the agent under law.

ARTICLE XI
General Provisions

Section 1. Fiscal Year. The fiscal year of this corporation shall end each year on the thirty-first (31st) day of March.

Section 2. Annual Reports to the Member and Directors.

A. Financial Report. Unless this corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, within 120 days after the end of this corporation's fiscal year, the Board shall furnish a written report to all of the directors and the Member containing the following information:

(i) the assets and liabilities, including the trust funds of this corporation, as of the end of the fiscal year;

(ii) the principal changes in assets and liabilities, including trust funds, during the fiscal year;
(iii) the revenue or receipts of this corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(iv) the expenses or disbursements of this corporation, for both general and restricted purposes, for the fiscal year; and

(v) any information required by subsection B below.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Article XIII, Section 4 of these Bylaws.

If this corporation receives less than $25,000 in gross revenues or receipts during the fiscal year, the report described above must be furnished only to the directors and the Member who requests it in writing.

B. Report of Certain Transactions. Unless this corporation furnishes the report required by subsection A above, within 120 days after the end of this corporation’s fiscal year, the Board shall furnish a written report to the Member and all of the directors of this corporation containing the following:

(i) a description of any transaction during the previous fiscal year involving $50,000 or more between this corporation (or its parent or subsidiary, if any) and any of its directors or officers (or those of its parent or subsidiary, if any) or any holder of more than ten percent of the voting power of this corporation (or its parent or subsidiary, if any), including the names of the interested persons, their relationship to this corporation, the nature of their interest in the transaction and, where practicable, the value of such interest; and

(ii) the amount and circumstances of any indemnifications or advances aggregating more than $10,000 that were paid during the fiscal year to any director or officer of this corporation, and that were not approved by the Member.

If no transaction required to be reported has occurred during the fiscal year, no report is required for that fiscal year.

Section 3. Required Financial Audits. This corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of $2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Whether or not they are required by law, any audited financial statements obtained by this corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall
remain available for three years (1) by making them available at this corporation's principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on this corporation's website.

Section 4. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from this corporation, this corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to this corporation, this corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 5. Electronic Transmissions to the Member. An electronic transmission by this corporation to the Member is valid only if the following requirements have been satisfied:

(a) The Member has affirmatively consented (and has not withdrawn consent) to the use of electronic transmissions;

(b) Prior to consenting, the Member was provided with a clear and conspicuous statement informing the Member of:

(i) any right or option to have the transmissions provided in nonelectronic form;

(ii) the right to withdraw consent to the use of electronic transmissions and any conditions or consequences of such withdrawal;

(iii) the procedure for withdrawing consent and for updating information needed to contact the Member electronically; and

(iv) the procedure for obtaining a paper copy of an electronic transmission upon request and whether any fee will be charged for such copy.

(c) Prior to consenting, the Member was provided with a statement of the hardware and software requirements for access to and retention of the electronic transmissions, and consented electronically in a manner that reasonably demonstrates that the Member can access information in the electronic form that will be used.
If a change in the hardware or software requirements creates a material risk that the Member will not be able to access or retain the electronic transmissions, this corporation shall provide a statement of the revised hardware and software requirements necessary, as well as the Member’s right to withdraw consent without the imposition of any fees for such withdrawal.

Section 6. Amendments. These Bylaws may be amended only by the voting requirements provided in Article V, Section 15 A (i) either by unanimous written consent as provided in Article V, Section 13 or at any regular meeting of the Board or any special meeting of the Board called for that purpose, provided that no amendment shall be adopted at any meeting of the Board unless notice is given for the time and in the manner specified in these Bylaws for giving notice of special meetings. The notice shall state that the matter of considering amendments to the Bylaws will be considered at the meeting and the substance of the proposed amendment or amendments to be considered.

Section 7. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

[Certificate of Secretary follows]
CERTIFICATE OF SECRETARY

I, Mary McMullin, certify that I am presently the duly elected and acting Secretary of Covia Foundation, a California nonprofit public benefit corporation, and that the above Bylaws, consisting of 16 pages, are the Bylaws of this corporation as adopted by the Board of Directors, on November 29, 2018.

Mary McMullin
Secretary
Entity Status Letter

Date: 6/2/2020
ESL ID: 4730141534

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID: 2278697
Entity Name: COVIA FOUNDATION

✘ 1. The entity is in good standing with the Franchise Tax Board.
☐ 2. The entity is not in good standing with the Franchise Tax Board.
✘ 3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701d.
☐ 4. We do not have current information about the entity.

The above information does not necessarily reflect:
- The entity’s status with any other agency of the State of California or other government agency.
- If the entity’s powers, rights, and privileges were suspended or forfeited at any time in the past, or the entity did business in California at a time when it was not qualified or not registered to do business in California:
  - The status or voidability of any contracts made in California by the entity at a time when the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
  - For entities revived under R&TC Section 23305b, any time limitations on the revivor or limitation of the functions that can be performed by the entity.

Connect With Us
Web: ftb.ca.gov
Phone: 800.852.5711 from 7 a.m. to 5 p.m. weekdays, except state holidays
       916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

FTB 4263A WEB (REV 02-2019)
Dear Sir or Madam:

We're responding to your request dated March 22, 2018, about your tax-exempt status.

We issued you a determination letter in January 2003, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax-deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period.

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or
by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely,

[Signature]

Stephen A. Martin
Director, Exempt Organizations Rulings and Agreements
SECTION 999.5(d)(4)(B)

(B) Applicant's plan for use of the net proceeds after the close of the proposed transaction together with a statement explaining how the proposed plan is as consistent as possible with existing charitable purposes and complies with all applicable charitable trusts that govern use of applicant's assets. The plan must include any proposed amendments to the articles of incorporation or bylaws of the applicant or any entity related to the applicant that will control any of the proceeds from the proposed transfer.

The proposed Affiliation is not a sale and there will be no net proceeds of the transaction. Covia’s charitable purposes will not change as a result of the Affiliation. Covia will continue to provide housing and services to seniors using its existing facilities and other assets.

On the closing of the Affiliation, each of the Covia Entities (except Covia Foundation) will adopt amendments to its articles of incorporation to make Front Porch its sole corporate member, and each of the Covia Entities will adopt amendments to its bylaws to reconstitute and change their boards of directors as described in the Affiliation Agreement. Post-Affiliation articles of incorporation and bylaws have not yet been drafted, but when available, Covia will provide a copy to the Attorney General’s Office.
SECTION 999.5(d)(5)

IMPACTS ON HEALTH CARE SERVICES

(d)(5)(A)

(A) A copy of the two most recent “community needs assessments” prepared by applicant for any health facility or facility that provides similar health care services that is the subject of the agreement or transaction.

Covia Communities owns and operates continuing care retirement communities (“CCRCs”) under the regulatory jurisdiction of the California Department of Social Services, the California Department of Public Health, the California Department of Health Care Services, and the United States Department of Health and Human Services. As a result, Covia Communities is currently governed by the Continuing Care Contract Statutes (Health & Safety Code 1771, et seq.), the statutes and regulations applicable to RCFEs (Health & Safety Code 1569, et seq.) and SNFs (Health & Safety Code 1260, et seq.,) and the Medicare and (as to Webster House) Medi-Cal laws. None of these laws require a CCRC, RCFE, or SNF to complete a community needs assessment and Covia has not done so.
SECTION 999.5(d)(5)(B)

(B) A description of all charity care provided in the last five years by each health facility or facility that provides similar health care services that is the subject of the agreement or transaction. This description shall include annual total charity care spending; inpatient, outpatient and emergency room charity care spending; a description of how the amount of charity care spending was calculated; annual charity care inpatient discharges, outpatient visits, and emergency visits; a description of the types of charity care services provided annually; and a description of the policies, procedures, and eligibility requirements for the provision of charity care.

The Covia Communities facilities in question are CCRCs with on-site SNFs, not hospitals. Questions regarding inpatient, outpatient, and emergency room charity care are not applicable in the SNF context. Further, Covia understands this question to pertain to charity care provided to residents of Covia Communities’ SNFs, but not to charity care that is provided in non-health-facility settings, such as independent living and assisted living facilities.

Covia Communities maintains a benevolence fund for continuing care residents in the event that they become unable to pay their monthly fee. A summary of benevolence grants made to residents of Covia’s SNFs is attached.

Covia reviews and approves a resident’s application for benevolence funds on a case-by-case basis. Once approved, the resident is allowed to pay what he or she can toward the contracted monthly fee, and Covia subsidizes the remainder of the monthly fee from the benevolence fund.

The following documents are attached to this section:

- A summary of the benevolence funds received by Skilled Nursing Facility residents for the past five years; and
- Covia Communities’ benevolence fund policies and procedures.
## Covia Communities

### 5 Year History of Assistance for Skilled Nursing

**FY 2016-2020**

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<th>FY 2018</th>
<th>FY 2019</th>
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Resident Financial Assistance Policy

Overview

By virtue of its tax exempt status and also under the provisions of our resident contracts, Covia Communities is obligated, with very few exceptions, to provide financial assistance to residents who exhaust their resources during their lifetime. Such residents continue to reside in the community and are entitled to all of the services despite the fact that they are not able to pay all or even any of the monthly fees.

Such policy does not apply to residents on a month-to-month rental contract nor to residents who have transferred their property for less than full consideration.

It is important that all potential residents receive information about resident assistance before moving in, including the requirements for obtaining assistance, which in addition to the financial disclosures required, include agreement to a reduction in accommodation size and/or location, agreement to obtain all other available public subsidies to supplement their income before applying and continuing during the receipt of assistance and agreement to abide by the allowance limits as outlined.

Procedure

Application

Residents seeking assistance must complete a financial application along with all requested supporting financial documentation and submit to the executive director for initial review. The intent of this review is to compare the resident’s current financial condition to their financial condition upon entering the community. At this point, we are trying to rule out that the resident without adequate consideration has transferred property to charities,
relatives or other third parties. Upon further examination, it may be necessary to interview the resident to determine the cause of the deterioration in financial condition.

Once asset transfers have been ruled out, the resident is asked to provide a detailed estimate of their monthly expenses. This information is entered into the Assistance Worksheet which is attached to this policy in order to calculate the amount of monthly assistance that is warranted. In most cases, the amount of assistance is adjusted based on the existing level of assets.

In order to proceed, the requirements of the assistance should be discussed and acknowledged by the resident in writing: agreement to a reduction in accommodation size and/or location, agreement to obtain all other available public subsidies to supplement their income before applying and continuing during the receipt of assistance and agreement to abide by the allowance limits as outlined.

The executive director, controller and Chief Operating Office are required to sign off on the worksheet. After that authorization, the information is provided to the resident billing staff to adjust the resident’s information accordingly for any future billing. The time frame for making such determinations is expected to be two to four weeks after receiving complete financial and monthly expense information from the resident.

Confidential: The identity and all relevant information about the residents applying for or receiving financial assistance is strictly limited to those individuals who are involved in processing the application and entering the results into the billing system.

In recognition of the fact that many residents are reluctant to step forward and request assistance, grants of financial assistance may be made on a retroactive basis in order to reduce or even eliminate the accumulated amount owed on the resident’s account. Generally, a letter is given to the resident indicating the amount of the award and once awarded, is adjusted each year based on updated information and in light of annual fee increases.

Supporting Financial Documentation

The requested supporting financial documentation must include, but is not limited to:

1. Initial Financial Assistance Request
   a. A copy of the original application at move in, with all supporting documentation
   b. Copy of contract
   c. 2 years of tax returns
   d. Current financial application
   e. Completed bank statements for all asset accounts – activity and transactions for the last 12 months
   f. Completed bank statements for all accounts closed – activity and transactions for the last six months prior to and at closing of accounts
g. Documentation for all income sources, i.e. current Social Security award letter, pension award letter(s), etc.

h. Insurance documentation to confirm current premiums (as applicable)

i. Documentation for all medical related expenses for the most recent 12 months

j. Any relevant information – such as a sale of a house or other property – to confirm funds received and how those funds were used/disbursed

k. Financial assistance worksheet (to be completed by executive d)

l. Signed 4506-T form

2. Subsequent Annual Review

a. All complete bank statements for all asset accounts – activity and transactions for the last six months

b. Bank statements for all accounts closed since prior year’s review/award – last six months activity and a closing statement

c. Copy of the most recent tax return

d. Current letters or correspondence from Social Security, pension or other sources supporting income amounts received

e. Backup of all medical related expenses for the most recent year
<table>
<thead>
<tr>
<th>Resident Name(s)</th>
<th>A</th>
<th>B</th>
<th>Joint</th>
</tr>
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<tbody>
<tr>
<td>Resident Age(s)</td>
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<td></td>
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<tr>
<td>Life Expectancy (Single/Joint)</td>
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<tr>
<td>Facility</td>
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<tr>
<td>Apartment Number</td>
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</tr>
<tr>
<td>Level of Care</td>
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</tr>
<tr>
<td>Personal Allowance</td>
<td></td>
<td></td>
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<tr>
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**Income**

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<th>Item</th>
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<td>Annuities</td>
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<td>Dividends/Interest</td>
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<td>$0</td>
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<tr>
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**Credits**

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<td>Personal Allowance</td>
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<tr>
<td>Income Taxes</td>
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<tr>
<td>Drug Credit</td>
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<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Health Care Credit</td>
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<table>
<thead>
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<th>Item</th>
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</thead>
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<td>Total Income Less Credits</td>
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**Monthly Maintenance Fee**

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**Drug Credit**

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<td>Part D Premium</td>
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<tr>
<td>Rx Drugs in excess of coverage</td>
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<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>OTC Drugs</td>
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<tr>
<td><strong>Total Drug Credit</strong></td>
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<td>$0</td>
<td>$0</td>
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**Health Care Credit**

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<td>$0</td>
</tr>
<tr>
<td>Dental care in excess of coverage</td>
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<td></td>
<td>$0</td>
</tr>
<tr>
<td>Vision care ins. Premium</td>
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<td></td>
<td>$0</td>
</tr>
<tr>
<td>Vision care in excess of coverage</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Health care not covered</td>
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<td>$0</td>
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<tr>
<td>Diabetic Supplies</td>
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<tr>
<td>Other Medical Supplies</td>
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<td>$0</td>
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<td><strong>Total Health Care Credit</strong></td>
<td>$0</td>
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<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------</td>
<td>-------</td>
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</tr>
<tr>
<td><strong>Net assets</strong></td>
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<tr>
<td><strong>Asset limit</strong></td>
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<td>(3,000)</td>
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<tr>
<td><strong>Assets above limit</strong></td>
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<tr>
<td><strong>Tentative Monthly Assistance</strong></td>
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<td></td>
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<tr>
<td><strong>Asset Spend Down Adjustment</strong></td>
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<tr>
<td><strong>Adjusted Monthly Assistance</strong></td>
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<td></td>
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<tr>
<td><strong>Date Award Effective</strong></td>
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<tr>
<td><strong>Previous Assistance</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Revised Assistance</strong></td>
<td></td>
<td></td>
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</tr>
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</table>

$0

______________________________________________ Date_____________
Executive Director

______________________________________________ Date_____________
Controller

______________________________________________ Date_____________
Chief Operating Officer
Sample Letter to Residents

Dear Mr. & Mrs. ______________

Thank you for your application for financial assistance at ________________ (Community). After a thorough consideration, and a detailed examination of all documents, Covia Communities made a decision to grant you financial assistance of $____________ toward your monthly accommodation fee of $____________, effective ______________, expiring on_____________. Your portion of the monthly fee is $____________.

To apply for another year of financial assistance, please provide a new application along with tax returns and all asset related documents to the administration office no later than _____________. Per the Covia Communities resident financial assistance policy, your assets cannot exceed $____________.

Per your contract, you agree that this subsidization of your monthly fee will be treated as a loan from Covia Communities to you. All deferred and subsidized charges, plus interest at the maximum legal rate, will be an additional charge that you owe Covia Communities, will be a first lien against your estate and will be deducted from any refund or Reoccupancy Benefit payment that Covia Communities may owe you following termination of your contract.

If you have any questions, please feel free to contact me or ________________(Executive Director). Thank you for your patience.

Sincerely,
SECTION 999.5(d)(5)(C)

(C) A description of all services provided by each health facility or facility that provides similar health care services that is the subject of the agreement or transaction in the past five years to Medi-Cal patients, county indigent patients, and any other class of patients. This description shall include but not be limited to the type and volume of services provided, the payors for the services provided, the demographic characteristics of and zip code data for the patients served by the health facility or facility that provides similar health care services, and the costs and revenues for the services provided.

Webster House has the only Covia SNF that is enrolled in the Medi-Cal program. Below is a 5-year summary of Webster House’s revenue by service type. Covia is in the process of compiling Medi-Cal census and demographic data and will provide them to the Attorney General’s Office when they are available.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>2,889,980</td>
<td>5,472,923</td>
<td>4,794,180</td>
<td>4,339,396</td>
<td>5,062,928</td>
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<tr>
<td>Private Pay</td>
<td>2,311,834</td>
<td>2,225,222</td>
<td>1,826,395</td>
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<td>2,600,665</td>
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<tr>
<td>Other Managed Care</td>
<td>671,086</td>
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<td>2,311,307</td>
<td>3,030,576</td>
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<td>Continuing Care Residents</td>
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<td>Medi-Cal</td>
<td>8,268,140</td>
<td>7,715,818</td>
<td>6,669,141</td>
<td>7,162,796</td>
<td>6,394,001</td>
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<tr>
<td>SNF Part B</td>
<td>403,640</td>
<td>390,782</td>
<td>492,166</td>
<td>511,754</td>
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<td>Medical Supplies</td>
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<td>Private Room/Conversion</td>
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<td>Bad Debt</td>
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<td>-813,347</td>
<td>-669,330</td>
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<tr>
<td>TOTAL ($)</td>
<td>14,393,248</td>
<td>16,706,932</td>
<td>15,423,859</td>
<td>16,872,532</td>
<td>16,705,233</td>
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</tbody>
</table>
SECTION 999.5(d)(5)(D)

(D) A description of any community benefit program provided by the health facility or facility that provides similar health care services during the past five years with an annual cost of at least $10,000 and the annual cost of each program for the past five years.

Covia Communities’ health facilities (CCRC-based SNFs) do not operate any community benefit programs that meet this definition.
SECTION 999.5(d)(5)(E)

(E) For each health facility or facility that provides similar health care services that is the subject of the agreement or transaction, a description of current policies and procedures on staffing for patient care areas; employee input on health quality and staffing issues; and employee wages, salaries, benefits, working conditions and employment protections. Such description shall include a list of all existing staffing plans, policy and procedure manuals, employee handbooks, collective bargaining agreements or similar employment-related documents.

Policies and Procedures for SNF staffing:

Covia Communities has established policies and procedures to ensure adequate SNF staffing levels at its CCRCs. Attached to this Section are the following:

1. SNF staffing plan;
2. SNF Quality Assessment and Performance Improvement ("QAPI") plan; and
3. Table of contents from the SNF Policies and Procedures.*

*The full SNF Policies and Procedures have not been included in this submission due to their size. A full copy is available to the Attorney General's Office upon request.

Employee input on health quality and staffing issues:

Covia Communities employees can provide input on health quality and staffing issues in a number of ways, including but not limited to raising the issues to immediate supervisors or Executive Directors of the CCRCs, during staff meetings, and during resident/staff town hall meetings.

Employees can raise employment or staffing issues by speaking with a supervisor, by contacting the Covia Human Resources Director or the Covia Compliance Officer, or by speaking with any other management representative with whom they feel comfortable. See the SNF policies and procedures and QAPI Plan for more information. For more information regarding employee reporting, anonymous reporting, and whistleblower protection, see the Employee Handbook attached to this Section (pp. 39-43).

Additional employment-related documents:

In addition, the following documents are attached to this Section:

1. Employee Benefits Booklet; and
2. Employee Handbook;

Covia also maintains the following employee policies, which have not been included in this submission due to their size. Copies of such employee policies are available to the Attorney General’s Office upon request.
1. Attendance Policy
2. Credentialing Verification Policy
3. Criminal Fingerprint Clearance Verification Policy
4. Driver Qualification Policy
5. Education Assistance Policy
6. Employee Compliance Training Policy
7. Employee Health Vaccinations Policy
8. Employee Name Tag Policy
9. Employee Overtime Administration Policy
10. Employee Physicals and TB Screens Policy
11. Employee Recognition Policy
12. Employee Relations Policy
13. Employee Uniform Policy
14. FY 2021 Employee Success Sharing Plan
15. Holiday Pay Policy
16. Independent Contractor Policy
17. Intern Policy
18. Meal and Rest Period Policy
19. Paid Sick Leave Policy
20. Paid Time Off - PTO - Policy
21. Performance Review Policy
22. Recruitment and Selection Policy
23. Reduction in Force Policy
24. Severance Policy
25. Temporary Expense Reimbursement Memo
26. Temporary Telecommuting Agreement Form
27. Value of Employee Meals Policy
28. Volunteer Policy
29. Wage Administration Policy
30. Workers Compensation Policy
## Covia Communities SNF Staffing Plans

These plans are the actual budgeted staffing plans for FY21

<table>
<thead>
<tr>
<th>Community</th>
<th>SNF Beds</th>
<th>Monday - Friday</th>
<th>Saturday</th>
<th>Sunday</th>
<th>Productive Check Sum</th>
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<tr>
<td></td>
<td></td>
<td>7-3 Shift</td>
<td>3-11 Shift</td>
<td>11-7 Shift</td>
<td>7-3 Shift</td>
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<tr>
<td>Canterbury Woods</td>
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<tr>
<td></td>
<td></td>
<td>4</td>
<td>R N</td>
<td>2101</td>
<td>1021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LVN</td>
<td>0</td>
<td>0</td>
<td>1</td>
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<tr>
<td></td>
<td></td>
<td>CNA</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total FTE's All Days/Shifts:</td>
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<td>St. Paul's Towers</td>
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<td>1</td>
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<tr>
<td></td>
<td></td>
<td>4</td>
<td>R N</td>
<td>2111</td>
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<td>1</td>
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<td></td>
<td></td>
<td>CNA</td>
<td>4</td>
<td>4</td>
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<tr>
<td></td>
<td></td>
<td>Other</td>
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</tr>
<tr>
<td></td>
<td></td>
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<td>2</td>
<td>2</td>
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<td>Total FTE's All Days/Shifts:</td>
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<tr>
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</tr>
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<td>7</td>
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Quality Assurance & Performance Improvement and Quality Assessment & Assurance

Overview

1. Quality Assurance and Performance Improvement (QAPI)

Covia Communities has developed an effective, proactive, comprehensive and data-driven Quality Assurance and Performance Improvement program for its skilled nursing facilities (SNF). All members of the organization including staff and residents, are involved in continuously identifying opportunities for improvement. Gaps in systems are addressed through planned interventions with a goal of continually improving the overall quality of life and quality of care and services delivered to residents.

2. Quality Assessment and Assurance Committee (QAA)

Each SNF has an ongoing QAA Committee that includes designated key members and that meets at least quarterly. Its responsibility is to identify and respond to quality deficiencies throughout the facility and to provide oversight of the QAPI program. It should use a system for routinely monitoring departmental performance data in order to identify deviations in performance and adverse events. Issues identified must be prioritized to determine which concerns pose a high risk to resident safety, health and well-being, those which are problem-prone and those which are high volume. Adverse events should be considered a high risk problem for which corrective action is required.

The Committee develops and implements appropriate corrective action to comprehensively address the underlying cause of these quality deficiencies at the systems level, including monitoring the effect of implemented changes and making needed revisions to the corrective action. Corrective actions may take the form of one or more tests of change, or Plan Do Study Act (PDSA) cycle or a performance improvement project until the desired performance goals or targets have been achieved.

NOTE: Definitions are located at the end of this policy.
Guidelines - General

1. Who is Responsible
   
a. The governing body and/or executive leadership of Covia Communities is responsible and accountable for ensuring that a QAPI program:
      
i. is ongoing, defined, implemented, maintained and addresses identified priorities;
      
ii. is sustained during transitions in leadership and staffing;
      
iii. is adequately resourced, including ensuring staff time, equipment and technical training as needed;
      
iv. identifies and prioritizes problems and opportunities that reflect organizational process, functions and services provided to residents based on performance indicator data and resident and staff input and other information;
      
v. has corrective actions that address gaps in systems and are evaluated for effectiveness; and
      
vi. sets clear expectations around safety, quality, rights, choice and respect.

b. The QAA Committee reports to Covia’s governing body regarding its activities including implementation of the QAPI program.

c. The Administrator shall delegate the necessary authority for actions and processes to the QAA Committee.

2. QAPI and QAA. Each SNF will have a plan that describes the process for conducting QAPI and reflect QAA Committee functions such as identifying and correcting quality deficiencies as well as opportunities for improvement. The plan is intended to be a living document with periodic review and revision as necessary.

3. QAPI. Each SNF must design its QAPI program to be ongoing, comprehensive and address the full range of care and services that the community provides. With an understanding of its organizational systems, culture and history, the SNF must:
   
a. address all systems of care and management practices;
   
b. include clinical care, quality of life and resident choice;
   
c. utilize the best available evidence to define and measure indicators of quality and facility goals that reflect processes of care and facility operations that have been shown to be predictive of desired outcomes for residents; and
   
d. reflect the complexities, unique care and services provided.
4. **Performance Improvement.** The plan will guide the SNF’s performance improvement efforts in assuring that care and services delivered meet accepted standards of quality and levels of performance and are continually improved. It will describe the scope of responsibilities and activities and the process that addresses how to conduct the activities necessary to identify problems and opportunities for improvement and ensure progress toward correction or improvement is achieved and sustained. Each community should tailor its plan to reflect the specific programs, departments and unique population it serves, as identified in its facility assessment.

5. **Guiding Principles.** The plan will serve as a method to assist in achieving the SNF’s purpose through guiding principles and the QAPI scope. Its goal is to improve the lives of residents through continuous attention to quality of care, quality of life, resident choice and resident safety.

6. **Outcomes.** Each SNF must implement and maintain a QAPI program that focuses on indicators that reflect the outcomes of quality of life and quality of care and guides its performance improvement efforts.

7. **Regulatory Documentation.** Each SNF must maintain documentation and demonstrate evidence of an ongoing QAPI program that meets regulatory requirements. This may include, but is not limited to, systems and reports demonstrating systematic identification, reporting, investigation, analysis and prevention of adverse events and documentation demonstrating the development, implementation and evaluation of corrective actions or performance improvement activities.

8. **Regulatory Requirements.** Each SNF must present its QAPI program to the state survey agency or federal surveyor at each annual recertification survey and upon request during any other survey and to Centers for Medicare and Medicaid Services (CMS) upon request. It must present documentation and evidence of its ongoing QAPI program’s implementation and compliance with requirements to state survey agency or federal surveyor or CMS upon request.

9. **Data Collection and Feedback.** The program will include feedback, data collection systems and monitoring. The facility will effectively obtain and use feedback and input from direct care staff, other staff, residents and resident representatives to identify problems that are high risk, high volume or problem-prone and opportunities for improvement. In addition to the facility assessment, the information will be used to develop, monitor and evaluate performance indicators. The facility will monitor adverse events, with systematic identification, reporting, tracking, investigating, analyzing and using data and information relating to adverse events. This will include use of the data to develop activities to prevent adverse events.

10. **Performance Improvement.** The facility must take actions aimed at performance improvement and after implementing those actions, measure its success and track performance to ensure that improvements are realized and sustained. This will include:

    a. a systemic approach to determine underlying causes of problems impacting larger systems;
b. developing corrective actions designed to effect change at the systems level to prevent problems with quality of care, quality of life or safety; and

c. monitoring the effectiveness of its performance improvement activities to ensure that improvements are sustained.

11. Performance Improvement Priorities. The facility must set priorities for its performance improvement activities that focus on high-risk, high-volume or problem-prone areas; consider the incidence, prevalence and severity of problems in those areas and affect health outcomes, resident safety, resident autonomy, resident choice and quality of care. Performance improvement activities must track medical errors and adverse resident events, analyze their causes and implement preventive actions and mechanisms that include feedback and learning throughout the facility. The facility must conduct distinct performance improvement projects, the number and frequency of which must reflect the scope and complexity of the facility’s services and available resources, as reflected in the facility assessment. Improvement projects must include at least annually a project that focuses on high-risk or problem-prone areas identified through data collection and analysis.

Guidelines - QAPI

12. Activities. Each facility will develop a plan that describes the process for conducting QAPI/QAA activities such as identifying and correcting quality deficiencies as well as opportunities for improvement. These activities can lead to improvement in the lives of residents, through continuous attention to quality of care, quality of life and resident safety.

13. Department Reporting Areas. The written QAPI Program guides each facility’s efforts in assuring that care and services are maintained at acceptable levels of performance and continually improved. It has a minimum frequency (monthly, quarterly, semi-annually, annually) of quality assurance reviews by reporting areas within the following departments:

- Administration
- Administration/Quality of Life
- Nursing/Resident Care & Quality of Life/Physician & Pharmacy Services
- Environmental
- Life Safety
- Food & Nutrition Services
- Social Services
- Life Enrichment
- Risk Management
14. **Performance Tracking.** The reviews track and measure performance to compare with established goals and thresholds for performance measurement. The comparison will help in identifying and prioritizing quality deficiencies. The plan lists the staff member responsible for presenting the prior three months’ review results at the subsequent QAPI quarterly meeting. The Committee will systematically analyze underlying causes of systemic quality deficiencies, develop and implement correction action or performance improvement activities, and monitor or evaluate the effectiveness of those activities, revising as needed.

15. **Training.** The QAPI program must include mandatory training that outlines and informs staff of the elements and goals of the facility’s program. Information and data sources may include:

- Abuse, Neglect, Exploitation, Maltreatment reports
- Advanced care planning audits
- Adverse Events
- Business Processes
- CMS Quality Indicators/Measures (long-stay, short-stay)
- Care plans, ensuring implementation and evaluation of measureable interventions
- Case Mix
- CASPER report
- Clinical care areas – pressure ulcers, falls, infections
- Community activities
- Complaints/Grievances from residents and resident representatives
- Consistent assignment
- Culture of Safety Surveys
- Direct Care Staffing hours/resident day
- Discharged resident surveys
- Drug regimen review summary
- Employee engagement and suggestions
- Employee retention
- Falls
- Fire & Life Safety deficiencies
- Five Star Reports
- Infection Prevention and Control program
- Information from providers, physicians, contractors and vendors
- Internal Audits
- Medical Record Audits
- Medications administration audits and drugs that require close monitoring – antipsychotics, narcotics
- Medication errors
- Medication room audits
- Near Misses (incidents w/out serious harm)
- Occupancy rates
- Performance Indicators
- PEPPER Reports
- Rehospitalization rates
- Resident council minutes
- Resident satisfaction surveys
- Resident representative satisfaction
Guidelines – QAA Committee

16. Advises the Administrator. The QAA Committee has the full authority to oversee the implementation of the QAA plan including, but not limited to, the following:

a. Identifying negative and positive outcomes of care and services;

b. Establishing quality indicators and identifying pertinent standards of practice; and

c. Meeting with the governing board to review quality-related items.

17. Primary Goals of QAA Committee:

a. To monitor and evaluate the appropriateness and quality of care provided within the framework of the QAPI program;

b. To oversee systems and processes related to improving quality of care and services;

c. To promote consistent systems and processes and appropriate practices in resident care;

d. To help identify negative outcomes relative to resident care and resolve them appropriately;

e. To help departments, consultants and ancillary services implement plans to correct identified issues in quality of care;

f. To coordinate the development, implementation, monitoring and evaluation of action plans to achieve specified quality goals;

g. To help departments, consultants and ancillary services establish effective accountability for care quality; and

h. To coordinate and facilitate communication regarding the delivery of quality resident care within and among departments and services and between staff, residents and family members.

18. Committee Chairperson

The QAA Coordinator shall coordinate the activities of the Committee.

19. Committee Membership

a. The Administrator shall appoint members of the Committee.
b. The Administrator shall appoint individuals to fill any vacancies occurring on the Committee.

c. At a minimum, Committee membership will consist of:

   i. Administrator;
   ii. Director of Nursing Services;
   iii. Medical Director or their designee;
   iv. At least three other members of the community’s staff; and
   v. The infection preventionist.

d. The following staff members may serve on the Committee:

   i. Minimum Data Set Coordinator
   ii. Dietary Services;
   iii. Consultant Pharmacist;
   iv. Social Services;
   v. Life Enrichment/Activities;
   vi. Facilities/Maintenance Services;
   vii. Housekeeping and Laundry Services
   viii. Rehabilitative Therapy Services;
   ix. Staff Development;
   x. Safety Committee Representative; and
   xi. Medical Records.

20. Committee Meetings

   a. The Committee will meet at least quarterly at an appointed time.

   b. Special meetings may be called by the QAA Coordinator as needed to address issues that cannot be held until the next regularly scheduled meeting.

21. Purpose of Committee Meetings

   a. The Committee meets as often as necessary but at least quarterly. Each meeting will have an agenda to coordinate and evaluate activities under the QAPI program, such as identifying issues with respect to which quality assessment and assurance activities are necessary, including performance improvement projects required under the QAPI program;

   b. The Committee develops and implements appropriate plans of action to correct identified quality deficiencies, and

   c. The Committee regularly reviews and analyzes data including data collected under the QAPI program and data resulting from drug regimen reviews and acts on available data to make improvements. Minutes of each meeting shall be written and saved.

22. Committee Meeting Agenda

   a. An agenda/sign in sheet covers data from the prior three month’s reviews.
b. The designated QAPI Coordinator should create a file with a working copy of the agenda for the next quarterly meeting.

c. The coordinator distributes the agenda each month to the designated staff members responsible for performing the scheduled reviews and entering the data in the agenda.

d. The coordinator will input the average daily census for the month to allow for calculating the percentages.

e. At the meeting, the coordinator will distribute the agenda with one copy signed by everyone in attendance.

f. The Committee will discuss old business such as progress in achieving substantial compliance with any survey deficiency action plans, corrective action and performance improvement activities.

23. Monthly Review Percentages. The Committee will compare the monthly review percentages to Covia thresholds and review the one month and six month CASPER Quality Measures. The SNF may also set standards for other areas. It will discuss progress in obtaining these benchmarks.

24. Other Meeting Items. Other items brought to the meeting include the consultant pharmacist’s report, resident council meeting concerns, safety meeting minutes, medical record audit summary, triple check barrier summary, infection prevention and control summary and the complaint/grievance summary. Any new business or action plans developed at the meeting will be added to the minutes.

25. Electronic Health Record. The Electronic Health Record software analytics module will be utilized to track and record performance improvement projects (PIPs).

26. Reporting Findings

a. On a quarterly basis the coordinator will upload the agenda and minutes from its QAPI meeting with any open PIPs to its folder on Covia server (L:\ drive).

b. On a quarterly basis the Senior Director of Quality and Care will report a summary of findings for all communities to the Covia Board of Directors Quality First Committee.

27. Communication

The community should let everyone know about the QAPI program - often and in multiple ways:

a. Plan ongoing caregiver education beyond single exposures – the goal is widespread awareness of QAPI initiatives;

b. Train through dialogue, examples and exercises – use easily understood ideas and community experiences;
c. Convey the message that QAPI is about systems of care, management practices and business practices—systems should support quality and/or acceptable business practices or they must change;

d. Ensure consultants, contractors and collaborating agencies are also aware of the QAPI approach; and

e. Convey the message that any and every caregiver is expected to raise quality concerns, that it is safe to do so and that everyone is encouraged to think about systems.

28. Committee Reports and Records

a. The Committee shall maintain minutes of all regular and special meetings that include at least the following information:
   i. The date and time the Committee met;
   ii. The names of Committee members present and absent;
   iii. A summary of the reports and findings;
   iv. A summary of any approaches and action plans to be implemented;
   v. Conclusions and recommendations from the Committee; and
   vi. The time the meeting adjourned.

b. The Coordinator shall ensure that meeting minutes are distributed to all Committee members and others as needed.

c. The Committee records are not required to be disclosed. Minutes of meetings are maintained, but not distributed or emailed. A state agency or the secretary may not require disclosure of the records of such Committee except in so far as such disclosure is related to the compliance of such Committee with the requirements of this section. Good faith attempts by the Committee to identify and correct quality deficiencies will not be used as a basis for sanctions.

29. Committee Actions

a. The Committee will oversee the development and implementation of actions to correct quality concerns and promote overall quality of care and services in the community.

b. Examples of actions that may be implemented to help address quality issues may include, but are not limited to:
   i. Educational training programs;
   ii. New or revised policies and procedures;
   iii. Staffing changes;
   iv. Equipment changes;
   v. Adjustment in admission, transfer and/or discharge practices; and
   vi. Adjustment in employment practices.
30. Confidentiality of Information

a. All Committee minutes, reports, findings, plans of corrections, etc. are confidential and shall be filed separately from other Committee documentation to maintain such confidentiality.

b. Committee members shall keep confidential all information that they obtain as a result of their participation on the Committee.

c. The Administrator may authorize sharing of summaries or periodic evaluations of the QAPI program with residents and/or other interested persons or organizations. These should not include confidential information.

31. Committee Audit Process

a. The Committee will scrutinize all department reports and summarize the findings in the Committee minutes.

b. The Committee shall help various departments, committees, disciplines or individuals develop and implement plans of correction and monitoring approaches. These plans and approaches should include specific time frames for implementation and follow-up.

c. The Committee shall track the progress of any active plans of correction.

d. The Committee shall advise the administration of the need for policy or procedural changes and as appropriate, monitor to ensure that such changes are implemented.

32. Annual Review

The Committee shall review the QAPI program at least annually for necessary revisions and shall document any such changes.

DEFINITIONS

“Adverse Events”: An untoward, undesirable and usually unanticipated event that causes death or serious injury, or the risk thereof, which includes near misses.

“Corrective Action”: A written and implemented plan of action for correcting or improving performance in response to an identified quality deficiency.

“High Risk”: Care or service areas associated with significant risk to the health or safety of residents, e.g., tracheostomy care; pressure injury prevention; administration of high risk.

“High Volume”: Care or service areas performed frequently or affecting a large population, thus increasing the scope of the problem, e.g., transcription of orders; medication administration; laboratory testing.

“Near Miss”: A potential harmful event that did not reach a resident.

“Performance Improvement (PI)”: (also called Quality Improvement - QI) A proactive and continuous study and improvement of processes with the intent to improve services or
outcomes and prevent or decrease the likelihood of problems by identifying opportunities for improvement and testing new approaches to fix underlying causes of persistent or systemic problems or barriers to improvement. PI in aims to improve processes involved in care delivery and enhanced resident quality of life. PI can make good quality even better.

**Plan Do Study Act (PDSA) Cycle**: An iterative four-step improvement method used to quickly test change in a process resulting in continuous improvement. Also known as a Deming cycle, rapid-cycle improvement or Plan Do Check Act (PDCA) cycle.

“Problem-prone”: Care or service areas that have historically had repeated problems, e.g., call bell response times; staff turnover; lost laundry.

“Quality Assurance (QA)”: The specification of standards for quality of care, service and outcomes and systems throughout the SNF for assuring that care is maintained at acceptable levels in relation to those standards. QA is an on-going, both anticipatory and reactive, retrospective process of SNF efforts to identify performance, including where and why facility performance is at risk or has failed to meet certain standards.

“Quality Assurance and Performance Improvement (QAPI)”: A data driven, proactive, systems approach to improving the quality of life, care and services. The coordinated application of two mutually-reinforcing aspects of a quality management system, it takes a systematic, interdisciplinary and comprehensive approach to maintaining and improving safety and quality while involving residents, representatives, caregivers and all staff members in practical and creative problem solving. QAPI identifies opportunities for improvement, addresses gaps in systems or process, develops and maintains an improvement or corrective plan and continuously monitors effectiveness of interventions.

**Quality Assessment**: An evaluation of a process and/or outcomes of a process to determine if a defined standard of quality is being achieved.

“Quality Deficiency (Opportunity for Improvement)”: A deviation in performance resulting in an actual or potential undesirable outcome or an opportunity for improvement. Anything the community considers to be in need of further investigation and correction or improvement, such as errors and accidents, responses to questionnaires showing decreased satisfaction and deficiencies cited on annual or complaint surveys.
Covia SNF Policies and Procedures

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Covia has a paper Lippincott Manual at each skilled nursing facility. The subscription to the manual includes electronic access for each SNF location.

Description of Lippincott Manual:

Lippincott Procedures is an online, institutional, point-of-care clinical decision support software product from Wolters Kluwer. It delivers step-by-step instructions for over 1,700 procedures for nursing, physical therapy, and respiratory therapy, and is regularly updated with the latest evidence-based practice information.
covia

Employee Benefits 2020
Employee Benefits Overview

Covia is committed to providing exceptional benefits to our employees. Keeping in mind the unique and diverse needs of our employees, we have put together a benefits program that will help protect the personal and financial well being of you and your family.

Upon joining Covia, your benefits are effective on the first of the month following 60 days from your date of hire. The plan and dependent elections that you make when you are hired or during our annual open enrollment are effective for the entire plan year unless you experience a qualifying event (i.e. marriage, birth, adoption, or loss of coverage).

Our Benefits Website

Looking for more information? Please visit our benefits website at benefits.filice.com/covia for more information regarding our benefits, plan designs, required notices, evidence of coverage documents, links to carrier websites, directories, and other valuable employee resources.

How Do I Enroll in Benefits?

All enrollments are completed electronically via the MyADP.com employee portal.

Your benefit elections must be made within 30 days after your date of hire to ensure you are successfully enrolled with all the benefit carriers. During our annual Open Enrollment you must complete your elections by the deadline listed in MyADP.

Eligible Dependents

You may cover your dependents under many of the benefit plans as long as they are one of the following:

- Your spouse or registered domestic partner
- Your child(ren) up to age 26, regardless of student or marital status
- Your disabled child(ren), regardless of age if incapable of self-sustaining employment, and if the disability began before the limiting age

Keep your address & personal information up to date...

Update your address and personal information through MyADP.com
If you need help with your login information please see your local Human Resources representative.
Success Sharing Plan

In addition to providing a high-quality work environment and respectful treatment on the job, Covia attracts, motivates and retains talented people by offering competitive benefits and a base pay program that rewards consistent and professional performance of assigned job duties. The Success Sharing Plan is designed to incentivize the achievement of organization and individual goals that meet, and exceed, normal performance expectations and recognize exceptional contributions to the organization's mission and business strategies. Awards are typically paid at the end of May.

In order for any Success Sharing awards to be paid certain key performance goals must be met first. These goals are:

- **Covia must meet the Quality threshold as determined by the Quality First Committee of the Board of Directors.**
- **Covia must achieve a yearly average of 95% or more of the budgeted annual Occupancy Rate.**
- **Covia must achieve at least 95% of the Net Operating Income (NOI) goal.**

Please contact your local Human Resources Representative for full eligibility guidelines.

Retirement - 403(b) Plan

The 403(b) plan is a powerful tool to help you reach your retirement goals. As a supplement to other retirement benefits or savings that you may have, this plan allows you to save and invest money for your retirement with tax-deferred dollars. Employees are automatically enrolled and deductions will start in the pay period 30 days after their hire date. It costs less than you think to save a little and plan for your future through a 403(b) plan.

**Highlights of your 403(b) plan:**

- Investment options are available to help you grow your funds.
- Plan services are available to assist with managing your account and retirement planning.
- Convenient payroll deductions are automatic and directed into your account each pay period.
- Individual annual contribution limits set by the IRS for 2020 are $19,500; if you are turning age 50 or older in 2020, you may contribute an additional amount up to $6,500.

**COVIA COMMUNITIES EMPLOYEES:**
Please visit the Principal website, [www.principal.com](http://www.principal.com), to enroll and make investment changes.

**COVIA AFFORDABLE COMMUNITIES EMPLOYEES:**
Please visit the Mutual of America website, [www.mutualofamerica.com](http://www.mutualofamerica.com), to enroll and make investment changes.

Covia Communities Pension Plan

Covia Communities employees also have a pension plan in addition to the 403b Plan. The Covia Communities Retirement Income Pension Plan is a retirement plan funded entirely by Covia Communities. Covia Communities puts an amount equal to 8% of your earnings into the Pension Plan every year that
you meet the eligibility requirement. You do not contribute anything to the plan, yet, once you reach retirement age, you are awarded a specific payout amount that is calculated using the plan formula. To vest in the pension plan (earn 100% ownership of the defined benefit), you must be 21 years of age, have worked for Covia Communities for five or more years, and have worked at least 1,000 hours in at least five of those years. Covia Communities automatically enrolls you in the Retirement Income Pension Plan when you become eligible.

Employee Referral Program

Our company is always looking for great people, and you can help. We believe the best employees can be found from the referrals of our own employees. Our employees already know the company’s culture as well as the quality standards and expectations. New hires that come to our organization through employee referrals are excellent contributors, stay with us longer and are more cost effective to recruit. If you know someone who you think would be a great addition to our organization and they meet the qualifications for an existing open requisition, you can receive a referral bonus of up to $500 if you refer them for employment and they are hired.

For details, conditions and instructions, please contact your Human Resources Representative.

Employee Assistance Program (EAP)

Covia also provides all employees and their household members access to a confidential Employee Assistance Program. Resources are available through CONCERN at no cost to employees. Services are available to all benefits eligible employees, and to their spouse/domestic partner and dependents. Services include:

Short-Term Counseling
Each individual can use up to 5 visits with an expert CONCERN counselor, per problem, per 12-month period for help with personal issues. CONCERN offers assessment, crisis intervention, short-term counseling and referrals. Counseling services are confidential.

- Marital and family problems; Difficulty with relationships; Emotional distress; Job stress
- Communications or conflict issues; Alcohol or drug problems affecting you or your family
- Loss and death, etc.

Parenting and Childcare Resources
Count on CONCERN for referral to quality providers for a variety of services.

Legal Consultations
Contact CONCERN to link you to a local attorney for a free 30-minute office or telephone consultation. This referral service cannot be applied to claims involving workplace issues, but can be used for other legal matters.

Financial Coaching
Utilize CONCERN to get in touch with financial coaches for sound financial guidance that will help you manage your money wisely and develop long-term financial security. Up to two 30-minute telephone consultations.

To find out more call 800-344-4222, or visit www.concernhealth.com and use company code: Covia
Travel Assistance

Toll-free travel assistance is available through Assist America, Inc. which includes 24/7 emergency assistance when employees and their families are traveling 100 miles or more from home.

- Assistance with hospital admission outside the US and necessary emergency medical evacuations to a facility to obtain care.
- Medical care monitoring and supervised repatriation if required.
- Trauma counseling and prescription replacement assistance...and more.

Contact Assist America day or night, within the U.S. 800-872-1414, or outside the U.S. (U.S. access code)+609-986-1234. You can also email to medservices@assistamerica.com. Be sure to Reference number 01-AA-UN-762490 when contacting Assist America.

Holiday Schedule 2020

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<td>Wednesday</td>
<td>January 1</td>
<td>New Year's Day</td>
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<td>Monday</td>
<td>January 20</td>
<td>Martin Luther King Jr. Day</td>
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<td>Monday</td>
<td>February 17</td>
<td>President's Day</td>
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<td>Monday</td>
<td>May 25</td>
<td>Memorial Day</td>
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<td>Friday</td>
<td>July 3 (in observance of July 4)</td>
<td>Independence Day</td>
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<td>Monday</td>
<td>September 7</td>
<td>Labor Day</td>
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<td>Veteran's Day¹</td>
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</tr>
</tbody>
</table>

¹The Veteran’s Day holiday only applies to the Life Plan and Affordable Housing Communities
²The Day after Thanksgiving holiday only applies to the Walnut Creek office
Paid Time Off (PTO)

If you are a Covia employee working 20 hours of more per week, you will accumulate Paid Time Off (PTO). You can use PTO for personal time off such as a vacation, or for sick leave. Here's how much PTO you can collect over time (or accrue) while you work here:

<table>
<thead>
<tr>
<th>Amount of Time Working at Covia</th>
<th>PTO Accrued Each Pay Period</th>
<th>PTO Accrued Per Year</th>
<th>The Maximum You Can Accrue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your first day of work to the end of your 4th year</td>
<td>4.92 hours</td>
<td>16 full days (128 hours)</td>
<td>32 days (256 hours)</td>
</tr>
<tr>
<td>First day of year 5 to the end of your 9th year</td>
<td>6.46 hours</td>
<td>21 full days (168 hours)</td>
<td>42 days (336 hours)</td>
</tr>
<tr>
<td>First day of year 10 and onward</td>
<td>8.00 hours</td>
<td>26 full days (208 hours)</td>
<td>52 days (416 hours)</td>
</tr>
</tbody>
</table>

This chart assumes that you are a full-time employee. Your accrual may be different if you are scheduled for less than 40 hours per week, or if you stop working for Covia and return at a later date.

You cannot accrue more than the maximums listed above. Once you hit that limit, you won't add any more PTO until you use some and the amount falls below the maximum. We encourage you to take your paid time off to rest and re-energize.

Paid Sick Leave

If you work 19 hours or less per week you will accrue one hour of paid sick leave for every 30 hours you work.

You can use your paid sick leave in as little as one-hour blocks of time. If you plan to use your paid sick leave time, please give your supervisor as much advance notice as possible.

Paid sick leave can be used for time off for health-related issues for you or a family member. A family member includes your spouse or registered domestic partner, your children (of any age), parents (including step-parents and in-laws), grandparents, grandchildren, and siblings.

You can earn up to 72 hours of paid sick leave. If you have not reached the maximum, your sick leave will carry over from year to year, but you can never have more than 72 hours of paid sick leave at any time.

Unlike PTO, you cannot cash out paid sick leave.
TicketsatWork

TicketsatWork offers discounts to theme parks, attractions and shows nationwide. Through TicketsatWork, you will receive discounts and special access to theme parks and attractions including the Walt Disney World® Resort, Universal Studios®, Las Vegas and New York City shows and performances, Disneyland®, SeaWorld®, Six Flags, and Cirque du Soleil! Also check with TicketsatWork.com for savings on car rentals, hotels, tours and attractions across the US. If you’re staying local, save on movie tickets, sporting events, and other special events. And feel free to share the code with friends and family!

**Follow these easy steps below to order tickets today!**
2. Click on the “Become a Member” box at the top of the homepage.
3. You will then be prompted to create an account with your email address and company code.
4. Or you can place your Order by phone. Call customer service at 800-331-6483. Orders are taken from 8:30am-12am/7 days a week (holidays included). Eastern Standard Time.

*When prompted, enter your company code: **coviatix1**

Exercise Gym

Take advantage of a fitness benefit that encourages and supports a healthy lifestyle. Special membership rates are available to you at 24 Hour Fitness, giving you discounted access to customizable personal training, innovative group exercise classes and state-of-the-art strength/cardio equipment.

To find a club near you, see membership options, and/or join, go to [24hourfitness.com/corporate](http://24hourfitness.com/corporate) and enter our corporate ID: **65788**

Note, you may need to show employee ID, business card or a current pay stub, as proof of employment.
Medical and Prescription Drugs

The following chart shows what you pay when enrolled on one of our medical plans when using in-network providers (you may refer to an Evidence of Coverage document for information regarding Out-of-Network benefits and/or other covered services).

NOTE: Plan Deductibles and Out-of-Pocket Maximums are on a calendar year cycle, they will reset every January 1.

<table>
<thead>
<tr>
<th>Medical Plan Highlights</th>
<th>Kaiser* HMO 9987</th>
<th>Kaiser* DHMO 7621</th>
<th>Anthem BlueCross HMO</th>
<th>Anthem BlueCross PPO (in-network)</th>
<th>Anthem BlueCross HRA (in-network)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Network</strong></td>
<td>(Kaiser)</td>
<td>(Kaiser)</td>
<td>CA Care HMO</td>
<td>Prudent Buyer PPO</td>
<td>Prudent Buyer PPO</td>
</tr>
<tr>
<td><strong>Deductible</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>None</td>
<td>$1,500</td>
<td>None</td>
<td>$500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Family</td>
<td>None</td>
<td>$3,000</td>
<td>None</td>
<td>$1,500</td>
<td>$4,000</td>
</tr>
<tr>
<td><strong>HRA Allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$1,000</td>
</tr>
<tr>
<td>Family</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>Physician Visit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(PCP = Primary Care Physician)</td>
<td>$30 PCP</td>
<td>$20 PCP</td>
<td>$20 PCP</td>
<td>$20 PCP</td>
<td>$30 PCP</td>
</tr>
<tr>
<td></td>
<td>$30 Specialist</td>
<td>$20 Specialist</td>
<td>$40 Specialist</td>
<td>$40 Specialist</td>
<td>$30 Specialist</td>
</tr>
<tr>
<td><strong>Diagnostic Lab &amp; X-ray</strong></td>
<td>$10 per encounter</td>
<td>$10 per encounter</td>
<td>No charge</td>
<td>10% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td><strong>Imaging/Major Diag.</strong></td>
<td>$50 per procedure</td>
<td>$50 per procedure</td>
<td>$100 per procedure</td>
<td>10% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td><strong>Hospitalization</strong></td>
<td>$250 per admit</td>
<td>20% after deductible</td>
<td>$250 per admit</td>
<td>10% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td><strong>Outpatient Surgery</strong></td>
<td>$100 per procedure</td>
<td>20% after deductible</td>
<td>$125 per procedure</td>
<td>10% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td><strong>Emergency Room</strong></td>
<td>$100 per visit</td>
<td>20% after deductible</td>
<td>$100 per visit</td>
<td>$150 + 10% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td><strong>Prescriptions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1 / Tier 2 / Tier 3 / Tier 4</td>
<td>$15 / $30 / NA / 30% up to $200</td>
<td>$10 / $30 / NA / 20% for Specialty Rx</td>
<td>$5 or $20 / $40 / $60 / 30% to $250</td>
<td>$5 or $20 / $40 / $60 / 30% to $250</td>
<td>$5 or $15 / $40 / $60 / 30% to $250</td>
</tr>
<tr>
<td><strong>Out-of-Pocket Maximum</strong></td>
<td>Individual</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$3,500</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>$4,000</td>
<td>$8,000</td>
<td>$7,000</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

1If you elect the Anthem Blue Cross PPO HRA, Anthem will automatically establish/fund an HRA account for you. The HRA Allocation (funds) are prorated if you join after January 1. HRA funds are automatically used first to help pay for covered services when the plan’s Deductible applies.

**IMPORTANT NOTES:** Only the Anthem Blue Cross PPO 30 and the Anthem Blue Cross PPO HRA offer (non-emergency) coverage with Out-of-Network providers.

*Kaiser plans are not available for Canterbury Woods employees.

Dental

Dental coverage is provided for you and your family members through MetLife.

If you elect the Dental HMO plan you must select a MetLife HMO Dental Office and have all of your services done by them, otherwise there will be no coverage.

If you elect the Dental PPO plan you may utilize services from any dentist, however, your out-of-pocket
costs will be much lower if you utilize an in-network dentist (a provider who is contracted with MetLife.) Also, Dental PPO charges from out-of-network dentists are subject to Reasonable and Customary limits. You will be responsible for all amounts over the R&C limits. The following chart illustrates some of the ways each of the Dental plans are different from one another. You may review each plan summary on our benefits website for additional details.

<table>
<thead>
<tr>
<th>Dental Plan Highlights</th>
<th>MetLife Dental PPO High Plan PDP Plus Network</th>
<th>MetLife Dental PPO Low Plan PDP Plus Network</th>
<th>Metlife Dental HMO Plan MET50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Benefit Maximum</td>
<td>$2,500 per Individual (excludes Preventive Services)</td>
<td>$2,000 per individual (excludes Preventive Services)</td>
<td>All services are subject to a fee schedule. For more information, please visit our benefits website.</td>
</tr>
<tr>
<td>Deductible</td>
<td>Applies to Basic and Major services only; $25 per Individual; $75 per Family</td>
<td>Applies to Basic and Major services only $50 per Individual; $150 per Family</td>
<td>None</td>
</tr>
<tr>
<td>Preventive Services (Type A)</td>
<td>Exams, cleanings, x-rays: 100% In–Network / 90% Out-of-Network</td>
<td>Exams, cleanings, x-rays: 80% In–Network / 80% Out-of-Network</td>
<td>Most services are no charge. See Schedule of Benefits for details.</td>
</tr>
<tr>
<td>Basic Services (Type B)</td>
<td>Fillings, Extractions: 90% In–Network / 70% Out-of-Network</td>
<td>Fillings, Crowns, Extractions, Crowns: 80% In–Network / 80% Out-of-Network</td>
<td>Service fees range, see Schedule of Benefits for details.</td>
</tr>
<tr>
<td>Major Services (Type C)</td>
<td>Crowns, Bridges, Dentures, Implants: 60% In–Network / 50% Out-of-Network</td>
<td>Bridges, Dentures, Implants: 50% In–Network / 50% Out-of-Network</td>
<td>Service fees range, see Schedule of Benefits for details.</td>
</tr>
<tr>
<td>Orthodontia Services (Adult &amp; Children)</td>
<td>Deductible Waived Lifetime Benefit $1,500 per Individual 50% In-Network / 50% Out-of-Network</td>
<td>Deductible Waived Lifetime Benefit $1,500 per Individual 50% In-Network / 50% Out-of-Network</td>
<td>Service fees range, see Schedule of Benefits for details.</td>
</tr>
</tbody>
</table>

**Vision**

Vision coverage is provided for you and your family members through VSP. If you utilize the services of a in-network VSP provider you will maximize the benefit allowances shown below. You may refer to the plan summary on our benefits website for out-of-network plan allowances and other details.

<table>
<thead>
<tr>
<th>Vision Plan Highlights</th>
<th>VSP PPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network</td>
<td>Choice</td>
</tr>
<tr>
<td>Member Copayment</td>
<td>$25 for Exam and Materials</td>
</tr>
<tr>
<td>Well Vision Exams</td>
<td>Plan pays 100% after Copayment every 12 months</td>
</tr>
<tr>
<td>Lenses</td>
<td>Plan pays 100% after Copayment every 12 months</td>
</tr>
<tr>
<td>Frames</td>
<td>Plan pays up to $130 for a wide selection of frames every 24 months You also receive a discount off the amount over your allowance</td>
</tr>
<tr>
<td>Contact Lens Care (in lieu of other benefits)</td>
<td>Plan pays up to $130 every 12 months Up to $60 copay for Contact lens exam (fitting and evaluation)</td>
</tr>
</tbody>
</table>
Term Life Insurance

Covia provides eligible employees with a base level of employee Term Life & Accidental Death and Dismemberment (AD&D) coverage through Unum.

Conversion or Portability of your Life insurance may be available if your employment ends. Please see Human Resources for more information.

NOTE: Please be sure to keep your beneficiary information in MyADP up to date.

Disability Insurance

Covia provides eligible exempt employees Long Term Disability coverage through Unum, and pays 100% of the cost of this benefit.

- Tax Choice Disability option – If you choose to have the cost of the disability insurance deducted from your paycheck, the benefits you receive from a disability claim in the future will be tax-free.

<table>
<thead>
<tr>
<th>Disability Coverage</th>
<th>Benefit Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Amount</td>
<td>66.67% of pre-disability earnings up to $14,000 per month.</td>
</tr>
<tr>
<td>Elimination Period</td>
<td>90 Days</td>
</tr>
</tbody>
</table>

Flexible Spending Account (FSA): Health Care & Dependent Care

Covia provides you the opportunity to pay for out-of-pocket health care or dependent care expenses with pre-tax dollars through the Flexible Spending Account (FSA) plan. Here’s how you save for health care & dependent care expenses throughout the year, pre-tax, with an FSA:

- The amount you contribute to the FSA is deducted from your paycheck before federal, state, local, and Social Security taxes are withheld.
- When you have an eligible expense, you are reimbursed from your FSA account(s) and the money isn’t taxed.

Important! Estimate your expenses and make your FSA contribution election wisely, then be sure to use the funds. Balances in your Health Care and Dependent Care accounts may be forfeited if they are not used. See the Health Care FSA and Dependent Care FSA information for more details.

Also note, our plan year is January 1 to December 31. You must enroll/re-enroll each year to participate in the FSA plan.

Health Care FSA

You may contribute up to $2,750 per year to your FSA account. You can use funds to pay for Qualified Medical Expenses, including eligible expenses not covered by your medical, dental or vision plan, such as copays, coinsurance, and deductibles. These funds are available on day one of the plan year. Up to $500 of unused contributions will be automatically rolled over to the following plan year, regardless of whether you elect or waive the following plan year. Any amount over $500 will be lost if not used.

Please note: Qualified Medical Expenses will conform to the definition used for the itemized tax deduction. This means a prescription for over-the-counter drugs may be required if you are making a claim for
reimbursement from the FSA plan administrator.

For more details regarding the Health Care FSA plan please visit our benefits website or contact the FSA plan administrator, WageWorks, at 877-924-3967 (877-WageWorks).

**Dependent Care FSA**

You may contribute up to $5,000 per year to your Dependent Care FSA account. (However, if your spouse has access to a Dependent Care FSA, your total combined contribution may not exceed $5,000.)

You may use the Dependent Care FSA to pay for the day care of your dependent children under the age of 13, and dependents of any age who are incapable of self-care, live with you at least eight hours per day, and are claimed as dependents on your income tax return.

To be eligible, care must be provided while you (and your spouse, if you are married) work, look for work, or attend school full time. Eligible expenses include care in your home by an eligible provider or at a licensed facility. You will not be reimbursed for residential or “sleep-away” care, nursing home care, or for babysitting when you are not at work. Funds for Dependent Care expenses are available as contributed.

You have a 2 1/2 month grace period for Dependent Care contributions, meaning you may incur expenses up to March 15 and use any remaining contributions for those expenses.

For more details regarding the Dependent Care FSA plan please visit our benefits website or contact the FSA plan administrator, WageWorks, at 877-924-3967 (877-WageWorks).

**Commuter Benefits**

Covia also provides you the opportunity to pay for out-of-pocket transit and parking expenses with pre-tax dollars. (Note, tolls, for tunnel, bridge, or highway, are not eligible.)

Similar to the FSA plan, you must enroll/re-enroll each year to participate for the plan year, although, unlike the FSA plan, you may change your elections during the plan year.

More information can be found at our benefits website by clicking on the link for Commuter Benefits or contacting the Commuter Benefits plan administrator, WageWorks, at 877-924-3967 (877-WageWorks).

**Legal Assistance & Identity Theft Protection**

Legal assistance and identity theft protection coverage is also available to you, as well as your family members, through LegalShield.

**LegalShield** Membership includes:

- Personal Legal advice on unlimited issue; Letters/calls made on your behalf
- Contracts & documents reviewed (up to 15 pages)
- Residential Loan Document Assistance
- Lawyers prepare your Will, your Living Will and your Health Care Power of Attorney
- Moving Traffic Violations (available 15 days after enrollment)
- IRS Audit Assistance
• Trial Defense (if named defendant/ respondent in a covered civil action suit)
• Uncontested Divorce, Separation, Adoption and/or Name Change Representation (available 90 days after enrollment)
• 25% Preferred Member Discount (Bankruptcy, Criminal Charges, DUI, Other Matters, etc.)
• 24/7 Emergency Access for covered situations

IDShield Membership includes:
• Privacy Monitoring: Monitoring your name, SSN, date of birth, email address up to 10, phone numbers (up to 10), driver license & passport numbers, and medical ID numbers (up to 10) provides you with comprehensive identity protection service that leaves nothing to chance.
• Security Monitoring: SSN, credit cards (up to 10), and bank account (up to 10) monitoring, sex offender search, financial activity alerts and quarterly credit score tracking keep you secure from every angle. With the family plan, Minor Identity Protection is included and provides monitoring for up to 8 children under the age of 18.
• Consultation: Your identity protection plan includes 24/7/365 live support for covered emergencies, unlimited counseling, identity alerts, data breach notifications and lost wallet protection.
• Full Service Restoration: Complete identity recovery services by Kroll Licensed Private Investigators and our $5 million service guarantee ensure that if your identity is stolen, it will be restored to its pre-theft status.

Please see our benefits website for more information on this benefit.

Additional Supplemental Voluntary Benefits

Voluntary Term Life

Employees may also purchase supplemental Voluntary Term Life & AD&D coverage. In order to purchase this coverage for your Spouse/Domestic Partner, and/or child(ren), you must purchase coverage for yourself.

Conversion or Portability of your Voluntary Term Life insurance may be available if your employment ends. Please see Human Resources for more information.

<table>
<thead>
<tr>
<th>Voluntary Life &amp; AD&amp;D</th>
<th>Benefit Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Benefit Amount</td>
<td>$10,000 increments up to the lesser of 5 X Annual salary or maximum of $500,000</td>
</tr>
<tr>
<td>Employee Guarantee Issue (GI)*</td>
<td>$150,000</td>
</tr>
<tr>
<td>Spouse Benefit Amount</td>
<td>Up to 100% of Employee amount in increments of $5,000 up to $500,000</td>
</tr>
<tr>
<td>Spouse Guarantee Issue (GI)*</td>
<td>$30,000</td>
</tr>
<tr>
<td>Child Benefit Amount</td>
<td>Up to 100% of Employee amount in increments of $2,000 up to $10,000</td>
</tr>
</tbody>
</table>

*Evidence of Insurability (EOI) is required for amounts over the GI; or for any amount if you are enrolling after your initial enrollment period.

NOTE: Voluntary Life Insurance Benefit reduces to 65% at age 70; 50% at age 75
Accident & Wellness

Optional on and off the job Accident coverage is provided by Unum for you and your dependents. Benefit amounts shown below are payments that would go directly to you, regardless of what your base medical plan may or may not cover. Premiums are paid by employees. Portability may be available if your employment ends.

<table>
<thead>
<tr>
<th>Benefit Features</th>
<th>Accident Plan Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidental Death</td>
<td>Employee $50,000; Spouse $20,000; Dependent Child(ren) $10,000</td>
</tr>
<tr>
<td>Hospital Admission</td>
<td>$1,000 (or $1,500 if in ICU) once per accident</td>
</tr>
<tr>
<td>Hospital Confinement</td>
<td>$200 per day, up to 365 days per accident (or $400 per day if in ICU, up to 15 days per accident)</td>
</tr>
<tr>
<td>Dislocations and Fractures</td>
<td>$150-$6,000 per accident (see our benefits website for benefits schedule)</td>
</tr>
<tr>
<td>Wellness Benefit</td>
<td>$50 per calendar year, if a covered health screening test is performed (i.e. Blood tests, Colonoscopies, Chest X-rays, Mammograms)</td>
</tr>
</tbody>
</table>

Hospital Indemnity Insurance

You may elect optional Hospital Indemnity coverage for you and your family members through Unum. Benefit amounts shown below are payments that would go directly to you, regardless of what your base medical plan may or may not cover. Please consult with Unum or see our benefits website for more details. Premiums are paid by employees. Portability may be available if your employment ends.

<table>
<thead>
<tr>
<th>Benefit Features</th>
<th>Hospital Indemnity Plan Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Admission</td>
<td>$1,000 (once per year)</td>
</tr>
<tr>
<td>Daily Hospital Confinement</td>
<td>$100 per day, up to 15 days (once per year)</td>
</tr>
<tr>
<td>Accidental Only Emergency Room Treatment</td>
<td>$150 (once per year)</td>
</tr>
</tbody>
</table>

*Pre-existing condition limit applies.

Critical Illness Insurance

Optional Critical Illness coverage is also available for you and your family members through Unum. Benefit amounts shown below are payments that would go directly to you, regardless of what your base medical plan may or may not cover. Please consult with Unum or see our benefits website for more details. Premiums are paid by employees. Portability may be available if your employment ends.

<table>
<thead>
<tr>
<th>Benefit Features</th>
<th>Critical Illness Plan Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage Levels ($5,000 increments)</td>
<td>Employee up to $50,000; *Spouse up to $30,000; *Dependent Child(ren) 25% of Employee Coverage Amount</td>
</tr>
<tr>
<td>Base Covered Conditions</td>
<td>Heart attack; Major organ Failure; Benign brain tumor; Blindness; End-stage renal (kidney) failure; Stroke</td>
</tr>
</tbody>
</table>
Critical Illness Plan Highlights

<table>
<thead>
<tr>
<th>Benefit Features</th>
<th>Benefit Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer Conditions</td>
<td>Cancer; Carcinoma in Situ (25% of Benefit Coverage Level)</td>
</tr>
<tr>
<td>Additional Conditions for Dependent Children</td>
<td>Cerebral Palsy; Cleft Lip or Palate; Cystic Fibrosis; Down Syndrome; Spina Bifida</td>
</tr>
</tbody>
</table>

*Spouse ages 17 through 64 with purchase of employee coverage. Dependent Children newborn until age 26.

Voluntary Whole Life

Employees can also purchase additional voluntary individual Whole life, accidental death and dismemberment (AD&D) insurance through Unum. This insurance offers “living benefits” you can use when you need them, as well as a death benefit.

This policy accumulates cash value, of which you can borrow funds from as needed.

It also has a Living benefit option rider, where if you are diagnosed with a terminal illness, you can request up to 100% of your policy’s benefit amount and use it for any purpose.

Certain limits and restrictions apply. Please consult with Unum or see our benefits website for more details. Conversion on life insurance may be available if your employment ends.

Voluntary Individual Short Term Disability

Employees can also purchase Individual Short Term Disability insurance. This protects a portion of your monthly income if you are unable to work due to a covered injury or illness. This means you can have some income during a time of need. This benefit pays in addition to CA State Disability Insurance. Please consult with Unum or see our benefits website for more details.

Other Additional Benefits in MyADP from Corestream

Auto Insurance

Get a no-obligation quote ans switch your carrier at any time.

- Real time, side-by-side auto insurance quotes from leading national carriers
- Special employee savings and payroll deduction discount
- Additional coverage available for your home, vacation property, boats, recreation vehicles, & more

Pet Insurance

A pet insurance policy can help you plan for your pet’s healthcare—and offset costs for routine care and unexpected illness or injury. There are 3 plans to choose from, ranging from Wellness and everyday care to Comprehensive Major Medical.

For a quote, call Nationwide at 877-738-7874; or go to PetsNationwide.com and type in Covia to start your quote. When calling, be sure to mention Covia to get our plan discount.
Student Loan Refinancing
Refinance your student loans and become debt free faster.

- Access a multi-lender platform
- One-on-one financial education over the phone
- Strategic refinancing and consolidation plans

Big-Ticket Purchasing
Get what you need without the hassle when you pay through payroll deduction.

- Shop thousands of brand-name products
- Upfront delivery; pay over time
- No credit check required

Roadside Assistance
Find roadside assistance when and where you need it.

- 24/7 coast-to-coast roadside services
- Towing, fuel delivery, tire changes, lockout services and more
- Same benefits for spouse/other designated driver and household drivers

More Great Deals & Discounts
Discover great deals on everything from computers and clothes to theme parks and hotels.

- Hundreds of discounts
- Local and national retailers
- New deals added weekly
## Premiums & Contributions (January 2020 - December 2020)

<table>
<thead>
<tr>
<th>Medical</th>
<th>Pay Per Period</th>
<th>Covia Cost Per Pay Period</th>
<th>Per Month</th>
<th>Covia Cost Per Month</th>
<th>Total Premium Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kaiser HMO 9987</strong>*</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Employee Only</td>
<td>$60.33</td>
<td>$274.85</td>
<td>$130.72</td>
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<td>Employee Only</td>
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<td><strong>Anthem Blue Cross HMO</strong></td>
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<tr>
<td>Employee Only</td>
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<td>$467.01</td>
<td>$827.88</td>
<td>$1,011.85</td>
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<td>$598.24</td>
<td>$1,296.18</td>
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<td></td>
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<tr>
<td>Employee Only</td>
<td>$50.17</td>
<td>$335.78</td>
<td>$108.71</td>
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<td>$1,011.85</td>
<td>$1,839.73</td>
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<td>$430.73</td>
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<td>$598.24</td>
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<td>$1,296.18</td>
<td>$2,592.36</td>
</tr>
<tr>
<td><strong>Anthem Blue Cross PPO</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Employee Only</td>
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<td><strong>Anthem Blue Cross PPO HRA</strong></td>
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*Kaiser plans are not available for Canterbury Woods employees.

<table>
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<th>Dental</th>
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<th>Covia Cost Per Pay Period</th>
<th>Per Month</th>
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</thead>
<tbody>
<tr>
<td><strong>MetLife Dental HMO</strong></td>
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</tr>
<tr>
<td>Employee Only</td>
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<td>$17.13</td>
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<td><strong>MetLife Dental PPO Low</strong></td>
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<td><strong>MetLife Dental PPO High</strong></td>
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## Vision

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<th>Employee Cost Per Period</th>
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<th>Employee Cost Per Month</th>
<th>Covia Cost Per Month</th>
<th>Total Premium Per Month</th>
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</thead>
<tbody>
<tr>
<td><strong>VSP Choice PPO</strong></td>
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<td>Employee + Child(ren)</td>
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## Group Voluntary Life

**Unum Voluntary Term Life**

See MyADP or the Unum benefit summary for specific age rates.

## Legal Assistance & Identity Theft

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<thead>
<tr>
<th></th>
<th>Employee Cost Per Period</th>
<th>Covia Cost Per Pay Period</th>
<th>Employee Cost Per Month</th>
<th>Covia Cost Per Month</th>
<th>Total Premium Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LegalShield</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Employee Only</td>
<td>$7.82</td>
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<td>$16.95</td>
<td>$0</td>
<td>$16.95</td>
</tr>
<tr>
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<td>$0</td>
<td>$18.95</td>
<td>$0</td>
<td>$18.95</td>
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<tr>
<td><strong>IDShield</strong></td>
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</tr>
<tr>
<td>Employee Only</td>
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<tr>
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<td>$18.95</td>
<td>$0</td>
<td>$18.95</td>
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<tr>
<td><strong>LegalShield &amp; IDShield Combo</strong></td>
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<tr>
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<tr>
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<td>$33.90</td>
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## Additional Individual Voluntary Insurance

**Unum Individual Accident, Critical Illness, Hospital Indemnity, Whole Life & Short Term Disability Insurance**

Option to enroll limited to once a year, during Open Enrollment. See Unum benefit summaries for rates.
# Our Insurance Carriers & Plan Administrators Contact Information

<table>
<thead>
<tr>
<th>Carrier / Vendor</th>
<th>Group # / Ref ID</th>
<th>Phone</th>
<th>Website / Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser Permanente</td>
<td>8709</td>
<td>800-464-4000</td>
<td><a href="http://www.kaiserpermanente.org">www.kaiserpermanente.org</a></td>
</tr>
<tr>
<td>MetLife Dental</td>
<td>5943666</td>
<td>800-275-4638</td>
<td><a href="http://www.metlife.com/dental">www.metlife.com/dental</a></td>
</tr>
<tr>
<td>VSP Vision</td>
<td>00116273</td>
<td>800-877-7195</td>
<td><a href="http://www.vsp.com">www.vsp.com</a></td>
</tr>
<tr>
<td>Unum – Worksite Voluntary</td>
<td>(Individual)</td>
<td>800-421-0344</td>
<td><a href="http://www.unum.com">www.unum.com</a></td>
</tr>
<tr>
<td>CONCERN EAP Employee Assistance Program</td>
<td>Covia</td>
<td>800-344-4222</td>
<td><a href="http://www.concern-eap.com">www.concern-eap.com</a></td>
</tr>
<tr>
<td>Travel Assistance</td>
<td>01-AA-UN-762490</td>
<td>Within US: 800-872-1414, Outside US: (US access code) +609-986-1234</td>
<td><a href="mailto:medservices@assistamerica.com">medservices@assistamerica.com</a></td>
</tr>
<tr>
<td>WageWorks FSA &amp; Commuter Benefits</td>
<td>Covia</td>
<td>877-924-3967</td>
<td><a href="http://www.wageworks.com">www.wageworks.com</a></td>
</tr>
<tr>
<td>LegalShield</td>
<td>Covia</td>
<td>800-654-7757</td>
<td><a href="http://www.legalshield.com">www.legalshield.com</a></td>
</tr>
<tr>
<td>Principal 403b Plan Covia Communities</td>
<td>7-10413</td>
<td>800-547-7754</td>
<td><a href="http://www.principal.com">www.principal.com</a></td>
</tr>
<tr>
<td>Mutual of America 403b Thrift Plan Covia Affordable Communities</td>
<td>056048</td>
<td>925-937-9900</td>
<td><a href="http://www.mutualofamerica.com">www.mutualofamerica.com</a></td>
</tr>
<tr>
<td>Covia Communities Retirement Income Plan</td>
<td>5-21082</td>
<td>800-547-7754</td>
<td><a href="http://www.principal.com">www.principal.com</a></td>
</tr>
<tr>
<td>Filice Insurance Broker Account Manager, Kirk Enney</td>
<td>Covia</td>
<td>916-235-4115</td>
<td><a href="mailto:kirk@filice.com">kirk@filice.com</a></td>
</tr>
</tbody>
</table>

**REQUIRED NOTICES:** All official documents relating to the Covia Employee Benefits Program, including the SBC’s, Summary Plan Descriptions, HIPAA Privacy Notice, Initial Cobra Notice, Medicare Part D notice, and any other relevant plan documents or notices, are available electronically through the benefits website. You may also receive a paper copy by contacting HR.

## Our Insurance Broker

Want to ask a question? In addition to the insurance carrier contacts noted above, you may also contact our dedicated Account Manager, Kirk Enney, at our health insurance broker, Filice Insurance, for assistance with health benefits related questions throughout the year. His email address is kirk@filice.com, and his direct phone number is 916-235-4115. Your local HR department and Toni Eslick, Covia Benefits Manager, are also always available to help answer any questions.

The information in this Benefits Guide is presented for illustrative purposes. The text contained in this Guide was taken from various summary plan descriptions and benefits information. While every effort was taken to accurately report your benefits, discrepancies and/or errors are always possible. In case of a discrepancy or error between the Guide and the actual plan documents, the actual plan documents will prevail. All information is confidential, pursuant to the Health Insurance Portability and Accountability Act of 1996. Covia reserves the right to modify any content of this document at any time.
<table>
<thead>
<tr>
<th>Cash Compensation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary</strong></td>
<td>See Contingent Offer of Employment</td>
</tr>
<tr>
<td><strong>Success Sharing</strong></td>
<td>If organizational/functional goals met, payout can range from 0% to 30% of annual base salary, less any incentive compensation paid during the fiscal year, with target payout of 15%.</td>
</tr>
<tr>
<td><strong>Non-qualified 457 (f) Executive Retention Plan</strong></td>
<td>Annual award on 12/31 at 8% of W-2 earnings. Each award vests after five years (or two years for executives over age 65). Must be employed at time of payout.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retirement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualified Defined Benefit Plan</strong></td>
<td>8% of annual base salary, fully funded by Covia. One year of service to participate; five year vesting period. Accrued earnings/losses go to Covia. Final payout depends on age and years of service.</td>
</tr>
<tr>
<td><strong>Qualified Defined Contribution Plan 403 (b)</strong></td>
<td>Employee contribution through payroll deductions (up to IRS annual maximum plus eligibility for catch-up contributions based on age). Covia matches 50% of the first 3% of pay that you contribute to the 403(b) plan. Company match is immediately vested.</td>
</tr>
<tr>
<td><strong>Non-qualified 457 (b) Plan</strong></td>
<td>Employee contribution - beyond 403 (b) maximum contribution - through payroll deductions. No employer match. Maximum contribution limit set by IRS. Double limit catch-up if 3 years until retirement age and under-contributed in the past.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vehicles</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auto/Mileage Benefit</strong></td>
<td>Standard IRS mileage reimbursement or Auto Reimbursement Plan (ARP). Enrollment in the ARP is based on 5,000 or more business miles annually. Monthly payment is comprised of fixed and variable components. Fixed is calculated on where the driver lives, cost of gas in the area lived, car driven, and driving pattern. Variable amount is calculated on the number of miles traveled.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Cash Compensation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paid Time Off (PTO)</strong></td>
<td>Accrued at a rate of 26 days per year to a maximum of 416 hours.</td>
</tr>
<tr>
<td><strong>Holidays</strong></td>
<td>9 days per calendar year</td>
</tr>
<tr>
<td><strong>Bereavement Leave</strong></td>
<td>3 paid days per eligible leave based on policy</td>
</tr>
<tr>
<td><strong>Jury Duty</strong></td>
<td>Up to 20 paid days per calendar year</td>
</tr>
<tr>
<td><strong>Life Insurance</strong></td>
<td>4x Annual Earnings to a maximum of $500,000</td>
</tr>
<tr>
<td>Benefit Category</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Short-Term Salary Continuation Program</strong></td>
<td>100% of salary while on a short-term disability (coordinated with PTO, SDI, and state and federally mandated leave benefits). Provided by Covia as a practice; no insurance policy; maximum of 6 months</td>
</tr>
<tr>
<td><strong>Long-term Disability</strong></td>
<td>6 month waiting period; benefits calculated on salary, up to a max monthly benefit of $14,000</td>
</tr>
<tr>
<td><strong>Medical, Dental &amp; Vision Insurance</strong></td>
<td>Executive pays 100% of employee premium and 25% of dependent coverage. This may be modified annually.</td>
</tr>
<tr>
<td><strong>Employee Assistance Program</strong></td>
<td>Up to 5 yearly visits to a recommended Provider. Confidential referral provided by Concern. Paid for by Covia.</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>Covia sponsored benefits at group rates at employee expense</td>
</tr>
<tr>
<td><strong>Legal Plan</strong></td>
<td>Legal Shield: Legal and Identity Theft Plans</td>
</tr>
<tr>
<td><strong>Flex Spending Account</strong></td>
<td>WageWorks: Flexible Spending Account; Dependent Care Account</td>
</tr>
<tr>
<td><strong>Gym Discount</strong></td>
<td>24 Hour Fitness</td>
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<tr>
<td><strong>Pet Insurance</strong></td>
<td>Nationwide</td>
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<tr>
<td><strong>Commuter Incentives</strong></td>
<td>WageWorks Benefits</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>Commensurate with job needs and coordinated with Covia Information Technology department</td>
</tr>
</tbody>
</table>

Please Note: All compensation and benefits are reviewed annually and subject to change with or without notice.
Employee Handbook

OUR MISSION
Covia promotes positive aging by cultivating healthy and engaged communities with a continuum of innovative services that actively support intellectual, physical, emotional, spiritual, and social well-being.
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome to Covia</td>
<td>1</td>
</tr>
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Welcome to Covia

Since 1965, our mission has been to meet the needs of older adults. Providing housing and services is the most obvious part, but we do much more: We don’t see the people we serve as “seniors,” but as whole people with lives of value. The people who live in our communities and participate in our programs are not just receiving our services, but are actively involved in building the healthy communities we strive to create.

Covia’s employees also play a significant role in making sure we build healthy and engaging communities. Through their care of the people we serve, their respect for one another, and their professional dedication, Covia’s team members create an atmosphere that is gracious and generous of spirit.

And now you will play your part. We know how much difference one person can make in the lives of others. Whatever you do for Covia, we believe that you can contribute towards the health and wellness of our communities, services, and programs.

Thank you for joining in this mission and for becoming part of this diverse and dedicated team.

Our Guiding Principles

**Honor Our Heritage**
Our mission and principles to serve seniors as a nonprofit provider of services and housing have been shaped by the values of welcome, inclusion, social justice and grace that come from our Episcopal heritage.

**Respect One Another**
We believe in working together, civility in our differences, and treating one another with dignity at all times.

**Embrace Individuality**
We reflect, celebrate, and foster the diversity of those who live and work within the Covia family and society as a whole.

**Serve with Integrity**
Strong ethics are at the heart of who we are and how we operate the organization today and tomorrow.

**Grow Wisely**
We are committed to expanding our mission by bringing our innovative and collaborative programs and housing options to a larger community of seniors with a wide spectrum of financial means.

**Build Strength**
To ensure we can continue to fulfill our mission, we are careful stewards, balancing today’s needs and resources with tomorrow’s needs and opportunities.
Welcome! We are glad you’re here and want you to be successful. This handbook is one tool to help you learn about Covia and how to succeed here.

This handbook contains three sections:

1. **General information:** We’ll cover many of the basics that apply to the whole organization, such as holidays, benefits, and general expectations. For information that is specific to your location (such as “Where do I park?”), please check with your supervisor or Human Resources (HR) representative.

2. **Glossary of terms:** As with any organization, we have a lot of terms we use that are Covia-specific. We’ll list as many as we can think of.

3. **Appendix:** In the Appendix, we will include the more complete legal definitions of some of the areas we describe in the handbook, such as leaves of absence.

Though this handbook provides a lot of information, it doesn’t include everything you need to know — and things may have changed since we updated this handbook. But it will provide some of the fundamental information you need to help you get started.
Throughout this handbook we will refer to Covia as shorthand for the whole organization, but Covia is made up of many different parts.

Here’s a brief introduction to who we are and the many things we do.

What’s in a Name?

Covia (pronounced co-VEE-a) is not a word that you will find in any dictionary. It’s not an acronym, but it still stands for something. Covia is a name that emerged from deep consideration about who we are and what we stand for as an organization.

The “co” of Covia comes from our belief in the importance of community, of connection, of companionship, of compassion. The “via” comes from two sources: both “via” — the path, and “vita” the Latin word for life.

At Covia, we come together on the path of life. Thank you for joining the journey.

What We Do

Covia serves people in a wide range of ways and in different locations, whether in buildings or communities, in person, or remotely. The following gives you a general idea of the services and programs we offer.

**Support Services**

Our main office, called Support Services, is located in Walnut Creek. The President and CEO’s office is located here, along with the Chief Operating Officer and the heads of departments such as IT, Human Resources, Finance, and more.

**Covia Communities**

Most of our employees work in one of our Life Plan or Multi-Level Communities. These communities offer residential living with services, including dining, activities, and health services. Some of them offer Life Plan contracts that last for a person’s lifetime, while others offer monthly renewable contracts.

**Covia Affordable Communities**

Covia is dedicated to supporting and preserving senior affordable housing on the West Coast. We own and operate senior affordable housing as well as provide Resident Service Coordination, which helps residents connect to services and programs that help them stay healthy and age in place.
Community Services
Our Community Services programs offer services to people who do not live in our housing communities and support the people who do. These programs include:

- **Market Day**: Provides fresh produce sold at cost in easily accessible locations such as senior centers, churches, or affordable housing communities.
- **Home Match**: Connects home owners with extra space with home seekers who need affordable housing.
- **Social Call**: Pairs volunteers with seniors for friendly calls or in-home visits.
- **Well Connected**: Seniors call or log in from home to join a range of classes, support groups, and programs.
- **Rotary HOME Team**: Volunteers from local Rotary clubs do small household repairs in seniors’ homes.

The Covia Foundation
The Covia Foundation supports the work of Covia through its charitable fundraising. Their efforts focus on providing financial support for Community Services programs, Covia Affordable Housing, and, through the Circle of Friends fund, assisting residents who have outlived their financial resources. The Foundation also promotes and oversees the Employee Emergency Fund, discussed on p. 19.

Covia Group
The Covia Group helps Covia grow by assuming financial risk for new ventures.
Covia has over 50 years of history, and we know there is more to come in our future. The timeline below covers some of the highlights.

1965
Covia is founded. The original property of the John Tenant Memorial Home in Pacific Grove is now home to Canterbury Woods, the first of Covia’s communities.

1966
St. Paul’s Towers opens in Oakland’s historic Lake Merritt District.

1971
Construction on Los Gatos Meadows is completed.

1974
Oak Center Towers located in West Oakland becomes the first of our affordable housing communities.

1977
The first Market Day programs launch in Oakland, the beginning of our Community Services programs today.

1985
The former Protestant Episcopal Old Ladies Home in San Francisco is refurbished and rededicated as Presidio Gate Apartments, serving low-income seniors.

1986
Grand opening of Spring Lake Village in Santa Rosa.

1997
San Francisco Towers at the corner of Van Ness and Pine opens to new residents.

2004
Well Connected offers its first phone-based programs for isolated seniors.

2007
Lytton Gardens affiliates with Covia, offering both independent living and assisted living for low-income seniors.

2008
Jennings Court, a Covia Affordable Community, opens its doors in Santa Rosa.

2009
Social Call begins its friendly visitor program in San Francisco.

2011
Webster House, a Life Plan Community in Palo Alto, joins Covia.

2015
Covia celebrates its 50th anniversary of providing life-changing services for seniors.

2018
Bethany Center Senior Housing in San Francisco and Shires Memorial Center in San Jose join Covia Affordable Communities.

And beyond...
We look forward to seeing how Covia grows into the future and how you play your part in our continuing story.
Awards


The Highest Honors recognition is awarded to those senior living communities who attain the highest mean scores and range in the top percentile of the Holleran national benchmark.

2018 Qualified for Fortune Magazine’s “Great Place to Work” certification in the Aging Services category.
Before we get into more of the details that affect your day to day life on the job, we need to cover some important information.

The type of job you have has an impact on how you are paid, what benefits you can receive, and how your time off is calculated. The chart below helps to explain the different types of employment as defined by law.

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<th>Employee Classification</th>
<th>What Does That Mean?</th>
<th>What do I get?</th>
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<tr>
<td>Full-Time Employee (FTE)</td>
<td>Full time employees are normally scheduled to work at least 30 hours each week</td>
<td>Full Benefits and Paid Time Off (PTO) Accrual</td>
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<tr>
<td>Part-Time Employee, working 20–29 hours per week</td>
<td>Part-time employees are normally scheduled to work less than 30 hours each week</td>
<td>Partial Benefits and Paid Time Off (PTO) Accrual</td>
</tr>
<tr>
<td>Part-Time Employee, working less than 20 hours per week</td>
<td>Part-time employees are normally scheduled to work less than 30 hours each week</td>
<td>Partial Benefits and Paid Sick Leave Accrual</td>
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<tr>
<td>On-Call Employee</td>
<td>On-call employees are called to work as needed, for as little as a single shift</td>
<td>Partial Benefits and Paid Sick Leave Accrual</td>
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<tr>
<td>Non-Exempt Employee</td>
<td>Non-exempt employees are paid an hourly rate and are eligible for overtime pay</td>
<td>Benefits and Time Off are dependent on classification above</td>
</tr>
<tr>
<td>Exempt Employees</td>
<td>Exempt employees are paid a set annual salary and are not eligible for overtime pay</td>
<td>Typically paired with the Full-Time Employee classification above</td>
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More information about Covia’s benefits will be discussed in Section 5 of this handbook where we will explain how these classifications impact your benefits.

If you have questions about your classification or how that affects your benefits or pay, contact your Human Resources representative.
Covia is committed to following all applicable federal, state, and local laws regarding equal opportunity employment. We hire and employ without regard to age, ethnicity, ancestry, religion, gender, gender identity or expression, sexual orientation, marital status, pregnancy, military discharge status, disability, or any other protected status.

Covia is an “at-will” employer. This means that either Covia as an employer or you as an employee may end (terminate) your employment at any time, with or without cause or prior notice.

Covia advocates for the right of each employee to be treated with respect and dignity in accordance with our Guiding Principles. Covia constantly strives to improve policies, pay, benefits, fair treatment and positive relations with each employee consistent with the financial integrity of its operations and the fulfillment of the Covia Mission.

Covia believes that direct communications with employees is always preferable and that we can resolve problems without third party intervention (i.e. attorneys, government agencies, unions, activist groups, etc.). While we do not believe that unions are necessary for employees to receive fair wages, benefits, and treatment, we recognize employees’ right to make this decision for themselves and to do so free from coercion.

Covia uses private, binding arbitration for those employee disputes which cannot be directly resolved in-company and which would otherwise be subject to court resolution.

Beginning with the first day you report to work, you will start an “introductory period” that will last 90 calendar days. In the introductory period, you might not be eligible for some company benefits. During the introductory period, you will learn a lot about Covia, your job responsibilities, your department, and expectations for your performance. You’ll read more about some of the general expectations for all employees in the next section.
General Expectations

Covia’s expectation is that you will make every effort to learn your job and to perform at a satisfactory level at all times. This section provides you with a general sense of what is expected of Covia employees. However, each job will have specific expectations of what is considered satisfactory job performance.

There are things that are expected of every Covia employee. Some of those are listed below.

- **Come to work:** Employees cannot do their job if they are not here. An employee may be terminated at any time for failing to report to work without contacting their supervisor. If an employee fails to report to work or call in for more than 3 days in a row, the employee may be considered to have abandoned the job and may be terminated.

- **Be on time:** Employees are expected to be at their work stations on time each day. Absenteeism or tardiness can result in disciplinary action, up to and including termination.

- **Dress appropriately:** Whether an employee wears casual clothes, professional attire, or a uniform, every employee is expected to be neat, clean, and appropriately dressed for their position and working environment.

- **Behave professionally:** All employees are expected to behave professionally and positively, treating others with respect.

- **Complete required training:** All employees are expected to take and complete training provided by Covia. Typically, you can take these courses during regular work hours.

- **Participate in staff or individual meetings:** Employees are required to attend all company meetings involving their department. Individuals are also required to attend meetings that they are asked to attend, unless excused by their supervisor.

- **Become familiar with the Compliance Plan:** Each employee should learn about the Covia Corporate Compliance Plan in order to help prevent violations of state and federal laws that impact Covia and the services we provide. Employees must follow the Compliance Plan, report suspected violations, and cooperate with all compliance investigations.

- **Comply with HIPAA regulations:** All employees must comply with the Health Insurance Portability and Accountability Act — known as HIPAA. HIPAA is a law that provides data privacy and security provisions for safeguarding medical information.

- **Observe safety procedures:** Become familiar with the Injury and Illness Prevention Plan (IIPP). Reporting, correcting and addressing safety hazards is everyone’s responsibility.
All of the behaviors listed below are prohibited for all employees. Although we don’t like to dwell on the negative, we need to share these because they are very important for everyone’s health and well-being. And we take them very seriously. Anyone who violates these expectations may be subject to disciplinary action, up to and including termination.

- **Accepting Gifts or Gratuities/Tips:** Employees may not request or accept any gifts or gratuities of any kind from a resident. Employees may not accept any gift or gratuities from a supplier above a nominal amount without the express permission from their immediate supervisor.

- **Alcohol:** Employees are prohibited from distributing, sharing, or using alcohol while at work or on duty except in the ordinary course of their duties at Covia-authorized locations and functions. An employee may be required to submit to alcohol screenings when there is a reasonable suspicion that the employee has violated the policy against alcohol use.

- **Disclosing Trade Secrets:** Employees are prohibited from using or disclosing Covia’s trade secret information or proprietary and confidential information or the trade secret information or proprietary and confidential information of Covia’s residents, vendors, partners, or suppliers. Examples include confidential information related to products, non-public financial performance information, and strategic business plans, and do not include information related to wages, hours, and working conditions.

- **Drug Use:** Employees are prohibited from making, growing, selling, distributing, using, or possessing illegal drugs while on Covia property or while working off-site. This policy does not include possession and proper use of lawfully prescribed drugs. An employee may be required to submit to drug screenings, investigations, or searches when there is a reasonable suspicion that the employee has violated the policy against drug use. Additionally, employees in safety-sensitive positions or certain job classifications may be screened for drugs randomly or periodically.

- **Duplicating or loaning your company key, or entry card:** If you are issued a key or entry card, you must sign for its possession and are responsible for its proper use. Report a lost or misplaced key or entry card to your supervisor immediately.

- **Fraud, Dishonesty, and False Statements:** Employees and applicants are prohibited from giving false, dishonest, or misleading information on any application, medical history record, invoice, paperwork, timecard, workplace injury report, or any other Covia document. Employees are also prohibited from making any false or dishonest statement with respect to the employee’s job duties.
Gambling: Gambling is prohibited on company property or through the use of the company’s property, such as computers and telephone equipment.

HIPAA Violations: Posting, texting, or otherwise sharing information about any resident with anyone, except by using the encrypted text tools provided by Covia, is prohibited as a violation of the resident’s privacy under HIPAA.

Illegal Activity: Employees are not permitted to engage in any kind of illegal activity while on duty or on company property. Illegal activity while off the job which reflects negatively on Covia’s reputation may also subject an employee to discipline up to and including immediate termination.

Impairment from Alcohol or Drugs: Employees are prohibited from having any illegal drugs, mind-altering or intoxicating substances in their systems while at work. Off-duty alcohol or drug use must not interfere with the employee’s ability to perform the essential functions of the job. Misuse of prescription medication is also prohibited. If prescription drug use may affect job performance, such as by causing dizziness or drowsiness, the employee must disclose this information. It is the employee’s responsibility, working with their doctor, to determine if a prescribed drug may impair job performance.

Insubordination: Employees may not refuse to follow the reasonable, job-related directions of a supervisor or manager or to treat a supervisor or manager in an insubordinate manner in any respect. For example, employees must fully cooperate with investigations by Covia into potential misconduct.

Off-duty Use of Facilities: Employees are prohibited from being on company premises or making use of Covia facilities while not on duty.

Personal Use of Company Property: Employees are expressly prohibited from using Covia facilities, company property, or company equipment for personal use.

Romantic or Personal Relationships with Residents: Employees are prohibited from forming any after-hours, personal and/or romantic relationships with residents or program participants. If such a relationship exists, even if consensual, Covia reserves the right to terminate employment based on the potential conflicts that may arise.

Sales, solicitation, or distributing materials for another organization: During working hours, employees are prohibited from soliciting on behalf of another organization, or from solicitation to another employee during that employee’s working hours. In addition, distributing paper advertising materials, handbills, or other literature
is prohibited in all work areas at all times. Non-employees may not come on Covia property at any time to solicit for any cause or to distribute material or literature of any kind for any purpose.

**Note:** nothing in this policy prohibits employees from discussing terms and conditions of employment.

**Sleeping on the job:** Other than during meal or break periods in designated employee areas, sleeping on the job is not permitted.

**Theft:** Theft of money or property from Covia, or from Covia’s employees, residents, program participants, or visitors is strictly prohibited. Employees found to have stolen or misappropriated money or property will be subject to immediate termination and will also be reported to law enforcement. Covia reserves the right to inspect all purses, briefcases, backpacks, packages, lockers, and vehicles on the company’s property. Failure to cooperate in such a search will result in disciplinary action, up to and including termination.

**Workplace Violence:** Covia has a zero-tolerance policy for violent acts or threats of violence against our employees, applicants, residents, program participants, or vendors. We do not allow fighting or threatening words or conduct. Weapons of any kind are strictly prohibited and not permitted on Covia premises. No employee may commit or threaten to commit any violent act against a co-worker, applicant, resident, program participant, or vendor. This includes discussions of the use of dangerous weapons, such as bombs, guns, or knives, even in a joking manner.

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**If you see or know of any employee who does any of the prohibited behaviors listed above, please report it immediately to your supervisor, your local Human Resources representative, the Vice President of Human Resources at Support Services, or the Compliance Officer.**
Many of the expectations of employees depend on the situation and come down to using good judgment. Here are some examples:

• **Off-duty Social and Recreational Activities:** During the year, Covia may sponsor social or recreational activities for employees. Your attendance at these social activities is completely voluntary and is not required as a condition of employment. Please note: If you are injured while you are participating in any voluntary off-duty recreational, social, or athletic activity that is not part of your job duties, neither Covia nor its insurer will be liable for the payment of worker’s compensation benefits.

• **Outside employment:** If you have a second job, don’t let it interfere with the work you do for Covia. Also, if a second job creates a potential conflict of interest, you must get written approval in advance from your Human Resources representative. **You may not accept employment from residents.**

• **Personal mail:** You may not use Covia’s postage, postage meters, or letterhead for personal correspondence. Mail sent to you at your workplace may be opened by office personnel before being forwarded to you. If you do not wish to have your mail opened in this way, be sure mail is sent to your personal address.

• **Personal calls or visits:** Don’t let personal calls or visits disrupt normal business operations. If you receive a non-business-related visit from a friend or relative, inform your supervisor at the time of your guest’s arrival and departure. Non-employees are strictly prohibited from entering unauthorized areas.

• **Romantic or Sexual Relations with Other Employees:** Avoid any romantic or sexual relationships that create conflicts of interest, potential charges of sexual harassment, or conflicts or distractions that interfere with your productivity or that of your coworkers. Do not engage in inappropriate displays of affection, arguments over relationship issues, or other related behaviors in the work environment. Supervisors or managers must immediately disclose the existence of a relationship with a subordinate to their local Human Resources representative. Covia will take all steps it deems necessary to prevent conflicts of interest and potential legal claims, including but not limited to transferring one or the other employees and/or terminating the employment of the supervisor or manager.

• **Verification of Registrations, Licensures, and Certifications:** If your job requires you by law to be licensed, certified, or registered by the State of California, you must have a valid license, certificate, or registration. You are expected to get any required renewal and notify your department director. Evidence of renewal must be kept on file in your personnel record. Failure to have a current license or certification will result in disciplinary action up to and including termination.
We make every reasonable effort to offer employees an opportunity to correct problems. However, misconduct or violation of company policy may result in the end of your employment at Covia. The list of reasons above is not all-inclusive. There may be other circumstances for which an employee may be disciplined, up to and including immediate termination.

Violation of any of these basic rules, the policies in this handbook, or any other Covia policy may lead to disciplinary action, up to and including immediate termination.

Remember that Covia is an at-will employer. You have the right to end your employment here at any time, with or without cause or notice. Covia can also terminate your employment here at any time with or without cause or notice.

If you have any questions about these basic rules, or what we expect of you as a Covia employee, please ask your supervisor or your Human Resources representative.
Compensation

This section answers some of your questions about when and how you will get paid here at Covia.

**When You Will be Paid**

Covia employees are paid every two weeks (typically every other Friday).

The pay in your paycheck is for two workweeks (one pay period). A workweek starts on Sunday at midnight, and ends on Saturday at 11:59 pm. Payroll is processed two days after the pay period ends, and you should normally receive your pay on the following Friday. If the pay day falls on a holiday, paychecks are distributed on the day before the holiday.

**How You Will be Paid**

You have several options for how you can receive your paycheck.

- **Direct Deposit:** You can sign up to receive your paycheck deposited directly into your bank account(s).

- **Debit Card:** You can sign up to have part or all of your paycheck auto-loaded onto a debit card. You can use this if you do not have a traditional bank account. You can also use it in combination with direct deposit to set aside a specific amount each month.

- **Check:** You can receive your paycheck as a live check which you receive in person or by mail.

Please talk with your Human Resources representative during orientation about what method of payment will work best for you.

**Tracking Your Hours**

If you are a non-exempt employee, you will need to track your hours. This is how we calculate how much you should be paid each pay period, including any overtime.

During your orientation, you will be given instructions on how to track and submit your hours. You may need to use a time clock, a time sheet, or an online-based system, depending on your location.

Make sure you understand how to record the hours you work and how to submit your timecard or work record for payroll approval. If you aren’t sure, ask your supervisor for help.
Under no circumstances may you record working hours for another employee. If you are an **exempt employee**, you are paid for a standard number of hours per pay period. Please review and ensure any exception hours are reflected correctly. Exempt employees are not eligible for overtime.

### Overtime

If you are a **non-exempt employee** and you and your supervisor arrange for you to work more than your regularly scheduled hours (more than 8 hours in one workday or more than 40 hours in one workweek), then you are eligible for overtime pay.

You must receive advance approval from your supervisor before working overtime. Working “off the clock” is not permitted.

Because Covia provides care and services for people 24/7, we may occasionally schedule employees beyond their normally scheduled hours, for weekend work, or to different locations to make sure we meet the needs of our residents. We may also need to vary your work schedule. If that happens, your supervisor will inform you with as much advance notice as possible.

### Holiday Pay

If you are a **non-exempt employee**, you will also receive holiday pay if you are scheduled to work on one of Covia’s paid holidays (see page 21 for a list of Covia’s holidays). Holiday pay is twice the normal rate of pay (your standard pay plus a paid holiday). Non-exempt employees who work on Thanksgiving, Christmas Day, or New Year’s Day will receive 2.5 times their normal pay (time and a half plus paid holiday).

### Changing Your Timecard

If you need to make a correction to your timecard, **check with your supervisor first**. Changes to your timecard must be initialed by you and by your Department Manager.

### Expense and Mileage Reimbursement

Expenses at Covia are submitted electronically through an online billing system. If you are doing any billing, including expenses, you will be trained on how to use the system. All business expenses, including non-commute mileage, must be approved by your supervisor before you can receive reimbursement.
**No Tipping Policy**

For your safety and for the safety of our residents, Covia has a strict no-tipping policy. You may not request or accept any gift or gratuity of any kind from a resident. You may not accept any gift or gratuity from a vendor or supplier without the express permission from your supervisor.

**Loans and Pay Advances**

It is Covia’s policy not to make loans or advances of pay to employees. We discourage you from offering loans to or accepting loans from your fellow employees, since this might cause conflict or hard feelings.

**Employee Emergency Fund**

The Covia Employee Emergency Fund is designed to provide monetary assistance for employees in need due to unexpected verifiable emergency situations, such as a fire, medical emergency, accident, or theft.

Employees may receive only one grant during a 24-month period. Grants typically are for $2,500 or less. To be eligible to apply for a grant, you must be a Covia employee for at least 6 months and in good standing.

You may also sign up to donate to the Employee Emergency Fund through a payroll deduction or one-time gift. You are not required to contribute to the Emergency Fund to receive a grant.

If you encounter an emergency situation, please talk to your Human Resources representative to see if you qualify to apply for a grant from the Covia Employee Emergency Fund.

**Success Sharing**

The Success Sharing program rewards employees if the entire organization meets a set of goals established by the board each year. All goals must be achieved for the fiscal year (April 1–March 31) in order for eligible employees to receive the Success Sharing bonus.

To be eligible to receive a Success Sharing bonus, employees must
- be employed by October 1 of the year of the award;
- be employed at the time Success Sharing is paid;
- perform at or above an acceptable level of performance.
In general, pay increases at Covia take place once a year and are tied to the annual Performance Review. Annual Performance Reviews typically occur at the end of the fiscal year with pay increases taking effect after the start of the new fiscal year.

If you have any questions about your hours or compensation, please talk to your local Human Resources representative.

Every year, you will receive a one-on-one review of your performance with your supervisor. The review covers the following areas:

1. Job Knowledge and Productivity
2. Quality
3. Caring and Communications
4. Open Learning Environment
5. Teamwork
6. Safety and Environment
7. Leadership (For Supervisors)
8. Operations (For Supervisors)

Please talk with your supervisor if you have questions about the specific expectations for your position.
Holidays and Time Off

In this section, we will provide information about your time off, including some of the ways you can take a leave of absence from work.

Covia offers 9 paid holidays each year, as shown in the chart below. Each year, you should receive a schedule listing the specific dates of the holidays for the coming year.

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Day or Date Observed</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
</tr>
<tr>
<td>Martin Luther King Jr. Day</td>
<td>3rd Monday in January</td>
</tr>
<tr>
<td>President’s Day</td>
<td>3rd Monday in February</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4</td>
</tr>
<tr>
<td>Labor Day</td>
<td>1st Monday in September</td>
</tr>
<tr>
<td>Veterans Day</td>
<td>November 11 (Communities only)</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>4th Thursday in November</td>
</tr>
<tr>
<td>Day after Thanksgiving</td>
<td>Friday after Thanksgiving (Support Services only)</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25</td>
</tr>
</tbody>
</table>

Because we serve residents 365 days a year, you may be asked to work on a holiday. If you work on Thanksgiving Day, Christmas Day, or New Year’s Day, non-exempt employees will be paid at 2.5 times your normal pay. If you work on any other holiday, non-exempt employees will receive twice your normal rate of pay. Part-time employees may receive holiday pay on a prorated basis. Holiday hours are determined by how many hours you are scheduled to work each week. Managerial and exempt employees generally do not receive additional holiday pay.

When a holiday falls on a Saturday or Sunday,

- If you are normally scheduled for a weekend shift, you will get the day off on the day itself. For example, if January 1 is a Saturday and you work Saturdays, you get that Saturday off as a paid holiday.
- If you normally work Monday through Friday, you will get the day off on the workday closest to the holiday. For example, if January 1 is a Saturday, you will get Friday, December 31st off as a paid holiday.

Paid holidays do not count as “hours worked” and will not be included for calculating any overtime during the week when the holiday takes place.
If you are a Covia employee working 20 hours or more per week, you will accumulate Paid Time Off (PTO). You can use PTO for personal time off, such as a vacation, or for sick leave. Here’s how much PTO you can collect over time (or accrue) while you work here:

<table>
<thead>
<tr>
<th>Amount of Time Working at Covia</th>
<th>PTO Accrued Each Pay Period</th>
<th>PTO Accrued Per Year</th>
<th>The Maximum You Can Accrue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your first day of work to the end of your 4th year</td>
<td>4.92 hours</td>
<td>16 full days (128 hours)</td>
<td>32 days (256 hours)</td>
</tr>
<tr>
<td>First day of year 5 to the end of your 9th year</td>
<td>6.46 hours</td>
<td>21 full days (168 hours)</td>
<td>42 days (336 hours)</td>
</tr>
<tr>
<td>First day of year 10 and onward</td>
<td>8.00 hours</td>
<td>26 full days (208 hours)</td>
<td>52 days (416 hours)</td>
</tr>
</tbody>
</table>

This chart assumes that you are a full-time employee. Your accrual may be different if you are scheduled for less than 40 hours per week, or if you stop working for Covia and return at a later date.

You cannot accrue more than the maximums listed above. Once you hit that limit, you won’t add any more PTO until you use some and the amount falls below the maximum. We encourage you to take your paid time off to rest and re-energize.

A chart that shows the differences between PTO and Paid Sick Leave is on p. 24.

If you are scheduled to work less than 20 hours per week, you are not eligible to earn PTO. However, you will be able to accrue Paid Sick Leave, which is described on p. 23.

Using PTO

If you are scheduling your PTO, your request needs to be approved by your supervisor at least two weeks in advance. Your supervisor might not be able to approve all PTO requests, depending on scheduling or other issues, so be sure to make your request as early as possible.

Of course, not all PTO can be scheduled in advance. If you need to use your PTO for a sudden need, such as a health issue, please give your supervisor as
much advance notice as possible.

Your PTO can also be used to care for an ill family member. “Family member” includes your spouse or registered domestic partner, your children (of any age), parents (including step parents and in-laws), grandparents, grandchildren, and siblings.

Non-exempt employees can take PTO in as little as one-hour blocks of time. Exempt employees can only take PTO in 8 hour increments.

**Cashing Out PTO**

Once a year, you may request to “cash out” some of your unused PTO — meaning you can receive the cash equivalent for your PTO hours. However, you must leave at least $80 hours of PTO in the “bank” after you cash out (40 hours for part time employees). The pay for each hour of PTO is equal to your hourly rate of pay.

If you decide to end your employment at Covia, all of your remaining PTO will be cashed out and paid to you in your final check.

**Paid Sick Leave**

If you work 19 hours or less per week you will accrue one hour of paid sick leave for every 30 hours you work.

You can use your paid sick leave in as little as one-hour blocks of time. If you plan to use your paid sick leave time, please give your supervisor as much advance notice as possible.

Paid sick leave can be used for time off for health-related issues for you or a family member. A family member includes your spouse or registered domestic partner, your children (of any age), parents (including step parents and in-laws), grandparents, grandchildren, and siblings.

You can earn up to 72 hours of paid sick leave. If you have not reached the maximum, your sick leave will carry over from year to year, but you can never have more than 72 hours of paid sick leave at any time.

Unlike PTO, you cannot cash out paid sick leave.

**If you do not have a spouse or domestic partner, you may designate one non-family member for whom you may use PTO or paid sick leave to provide aid or care. If you wish to do so, please inform your Human Resources representative within 10 working days of your hire.**
### PTO and Paid Sick Leave: A Comparison

<table>
<thead>
<tr>
<th>Question</th>
<th>PTO</th>
<th>Paid Sick Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many hours do I need to work as a Covia employee to receive this benefit?</td>
<td>20 hours or more per week</td>
<td>Less than 20 hours per week</td>
</tr>
<tr>
<td>How much time off can I accrue each pay period?</td>
<td>Full time employees accrue 4.92 hours per pay period until year 5 when there is an increase</td>
<td>Depends on your hours. One hour accrues for every 30 hours worked.</td>
</tr>
<tr>
<td>What is the maximum time off I can accrue?</td>
<td>256 hours (32 days) until year 5, when the maximum increases</td>
<td>72 hours</td>
</tr>
<tr>
<td>Can I use this benefit to take care of a family member?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Does this time off carry over from year to year?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Can I cash out this benefit once a year?</td>
<td>Yes, but you must have a balance of 80 hours of PTO remaining (40 hours if you are a part-time employee)</td>
<td>No</td>
</tr>
<tr>
<td>If I leave Covia, am I paid for my remaining balance?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

### Jury Duty

If you receive a notification for jury duty, please let your supervisor know immediately so that plans for your potential absence can be put in place before you start jury duty.

- **Non-exempt employees:** While you are on jury duty, Covia will pay the difference between your basic hourly pay and the total amount you receive from serving as a juror for up to 20 days per calendar year.

- **Exempt employees:** While you are on jury duty, you will continue to receive your regular salary when you work partial weeks.

If you are released from jury duty before the end of your regular shift or work day, please call your supervisor as soon as possible and report to work if you are asked to do so.
**Witness Duty**

If you receive a subpoena to appear in court, please let your supervisor know immediately. Please return to work as soon as you are finished with your service as a witness.

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**Voting**

If you wish to vote in a public election but will not be able to do so during non-work hours, you may arrange to take up to 2 hours off from work with pay to vote. You must get advance approval from your supervisor and the time must be at either the beginning or end of your shift. Please keep your voting receipt as your supervisor may request a copy.

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**Time Off in Cases of Domestic Violence or Sexual Assault**

You can use PTO or paid sick leave if you need time off to seek aid or medical attention, services, counseling, or time to plan for your safety due to domestic violence, stalking, or sexual assault. There is also a leave of absence available for victims of domestic violence, sexual assault, or stalking. **Please also see p. 54 of this handbook to learn about help and support Covia can provide if you are experiencing domestic violence.**

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**Leaves of Absence**

Along with paid holidays, paid time off, or sick leave, Covia provides a range of options for those who require leaves of absence for reasons of personal health, family caregiving, military service, and more.

The charts on the following pages provide some of the basic information on the leaves of absence available to you, including who is eligible to use each leave; the maximum length of each type of leave; and other things to note. **Unless stated otherwise, these leaves are unpaid.**

The charts are grouped by category:

- **Health-Related Leaves:** These leaves cover a wide variety of health issues, including pregnancy and childbirth and chemical dependency issues.

- **Leaves related to Military or Emergency Personnel:** This includes medical leaves related to military service.

- **Other Leaves of Absence:** These include leaves for bereavement, to attend to your children's education, and other issues.

Please note that these charts only contain the basic information. Detailed descriptions on some of these leaves of absence can be found in the appendices at the end of this handbook, or talk to your Human Resources representative for further information.
## Health-Related Leaves

<table>
<thead>
<tr>
<th>Type of Leave</th>
<th>Who Can Use It</th>
<th>Maximum Length</th>
<th>Things to Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability-Related Leave</td>
<td>Employees with a qualifying disability</td>
<td>Varies. Please contact your HR representative</td>
<td>To determine if this is applicable, speak to your Human Resources representative.</td>
</tr>
<tr>
<td>Drug and Alcohol Rehabilitation Leave</td>
<td>Employees who voluntarily wish to seek treatment and/or rehabilitation</td>
<td>Varies. Please contact your HR representative</td>
<td>Use of accrued PTO may be required. <strong>Note:</strong> Covia is not obligated to employ someone who violates company policy or is unable to fulfill their duties.</td>
</tr>
<tr>
<td>Family and Medical Leave Act/California Family Rights Act (FMLA/CFRA)</td>
<td>Includes leave both for a new child or health or medical issues. Please see Appendix A for qualifying reasons</td>
<td>Up to 12 weeks in a 12 month period</td>
<td>Use of accrued PTO may be required. Please see Appendix A for details.</td>
</tr>
<tr>
<td>Leave for Organ and Bone Marrow Donors</td>
<td>Organ or bone marrow donor (must provide written verification)</td>
<td>Organ donors: Not to exceed 30 days in any one-year period. Bone marrow donors: Not to exceed 5 days in any one-year period</td>
<td>This is a paid leave. Must be employed by Covia for at least 90 days before leave begins. Organ donors must use up to 2 weeks of PTO, and bone marrow donors must use up to 5 days of PTO before paid leave begins.</td>
</tr>
<tr>
<td>Medical Leave of Absence</td>
<td>Employees who are not eligible under FMLA/CFRA may be eligible for a Medical Leave of Absence.</td>
<td>As approved by Covia</td>
<td>Subject to management approval. Must be certified by a physician approved by Covia. May not be job-protected.</td>
</tr>
<tr>
<td>Pregnancy Disability Leave of Absence</td>
<td>Female employees experiencing disabilities relating to pregnancy, childbirth, or physical or mental conditions directly related to pregnancy or childbirth.</td>
<td>Up to 17½ weeks.</td>
<td>May use PTO or sick leave time concurrently with Pregnancy Disability Leave.</td>
</tr>
</tbody>
</table>
### Leave Related to Military or Emergency Personnel

<table>
<thead>
<tr>
<th>Type of Leave</th>
<th>Who Can Use It</th>
<th>Maximum Length</th>
<th>Things to Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Air Patrol Leave</td>
<td>Volunteer members of the California Wing of the Civil Air Patrol</td>
<td>Up to 10 days per calendar year, no more than 3 days per mission</td>
<td>Must be employed by Covia for at least 90 days before leave begins</td>
</tr>
<tr>
<td>Leave for Emergency Rescue Personnel</td>
<td>Volunteer firefighters, reserve peace officers, or emergency duty personnel</td>
<td>Up to 14 days per calendar year</td>
<td>Use of accrued PTO may be required. May be used for emergency response or training.</td>
</tr>
<tr>
<td>Military Caregiver Leave</td>
<td>Employees with family members who have sustained serious injuries or illnesses in the line of duty while on active duty.</td>
<td>Up to 26 workweeks in a single 12 month period.</td>
<td>Please see Appendix for more information</td>
</tr>
<tr>
<td>Military Leave of Absence</td>
<td>Employees who need to fulfill military duties</td>
<td>For an employee in the military: leave period is in accordance with federal, state and local laws. For an employee with a spouse/domestic partner in military: up to 10 days</td>
<td>Provide your supervisor with a copy of your orders as soon as possible</td>
</tr>
<tr>
<td>Military-Related Family and Medical Leave Act</td>
<td>Please see Appendix B for qualifying reasons</td>
<td>Up to 26 workweeks in a single 12 month period</td>
<td>Includes Military Caregiver Leave and Qualifying Exigency Leave. Please see Appendix B for more information</td>
</tr>
<tr>
<td>Qualifying Exigency Leave</td>
<td>Spouse or family of covered military member in certain circumstances. See Appendix C for more information.</td>
<td>Up to 12 weeks in a 12 month period</td>
<td>Please see Appendix C for more information</td>
</tr>
</tbody>
</table>
### Other Leaves of Absence

<table>
<thead>
<tr>
<th>Type of Leave</th>
<th>Who Can Use It</th>
<th>Maximum Length</th>
<th>Things to Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bereavement Leave</td>
<td>Any employee may use this to attend to the death or funeral of a family member</td>
<td>Up to 3 days</td>
<td>First three days of Bereavement Leave are paid; extended time off is subject to normal approval and may use PTO instead of unpaid leave. Documentation may be required.</td>
</tr>
<tr>
<td>Leave for Victims of Domestic Violence, Sexual Assault, or Stalking</td>
<td>Victims of domestic violence, sexual assault, or stalking</td>
<td>Please consult with your Human Resources representative</td>
<td>May use PTO or sick leave time instead of unpaid leave. Please see p. 54 for other ways Covia can support you.</td>
</tr>
<tr>
<td>Leave for Victims of Felony Crimes</td>
<td>Victims of certain felony crimes or who are an immediate family member of a victim</td>
<td>Please consult with your Human Resources representative</td>
<td>To be used to attend judicial proceedings related to the felony.</td>
</tr>
<tr>
<td>Literacy Leave</td>
<td>For employees who have literacy issues and request to enroll in an adult literacy education program</td>
<td>As approved by Covia, employee may arrive late or leave early when necessary to attend a literacy program.</td>
<td>Covia will help you find a local literacy program. Please provide proof of enrollment.</td>
</tr>
<tr>
<td>Personal Leave of Absence</td>
<td>Granted at the sole discretion of Covia management</td>
<td>Up to 30 days</td>
<td>Use of accrued PTO is required. Must be employed by Covia for a minimum of 1 year and in good standing. Please consult with your Human Resources representative.</td>
</tr>
<tr>
<td>Religious Leave</td>
<td>For employees with a religious need</td>
<td>As applicable and appropriate under law</td>
<td>Speak to your Human Resources representative regarding a proposed accommodation.</td>
</tr>
<tr>
<td>Unpaid Family School Partnership Leave</td>
<td>Parents, guardians, step-parents, foster parents, grandparents, or individuals standing in loco parentis with custody of school age children (K-12)</td>
<td>Up to 40 hours each year, no more than 8 hours in a calendar month</td>
<td>Used to participate in school-related activities for your children. Please schedule parent/teacher conferences during non-work hours.</td>
</tr>
</tbody>
</table>

More details about some of these Leaves of Absence are in the Appendix. If you have questions about any of the leaves of absence mentioned above, please talk to your Human Resources representative.
Benefits at Covia

Getting Started

One of the things you’ll be doing in your orientation is making choices about and signing up for benefits. Please note that not every Covia employee receives every benefit. What kind of benefits you can receive depends upon your employment status — often depending on the number of hours you work each week.

Your benefits may include:

- **Insurance:** This includes health-related insurance as well as state mandated insurance benefit programs, described below.
- **Retirement:** This includes personal retirement savings as well as a pension plan, available to many employees.
- **Pre-tax savings plans:** This includes flexible spending accounts for health care costs or childcare expenses and a commuter benefit plan if you use public transportation.
- **Education:** Some education and training programs may be reimbursed by Covia. More information is below
- **And more:** Covia offers a range of other benefits, including discounts on gym memberships, identity theft coverage, and discounts on tickets for events and activities.

The chart below gives a summary overview of many Covia benefits, including information on whether you or Covia contribute any money. Ask your Human Resources representative for the full list of benefits information and plan documents.

**Benefits Overview**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Who is Eligible</th>
<th>Employee Contributes</th>
<th>Covia Contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Health</strong></td>
<td>Employees working 30+ hours per week</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Group Dental</strong></td>
<td>Employees working 30+ hours per week</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Group Vision Insurance</strong></td>
<td>Employees working 30+ hours per week</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>State Disability Insurance (SDI)</strong></td>
<td>State required for all</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Workers’ Compensation Insurance</strong></td>
<td>All</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(Continued on next page)
## Benefits Overview (continued)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Who is Eligible</th>
<th>Employee Contributes</th>
<th>Covia Contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Covia Group Life Insurance</strong></td>
<td>Employees working 30+ hours per week</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Voluntary Life Insurance</strong></td>
<td>Employees working 30+ hours per week</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>403(b) Retirement Account</strong></td>
<td>All employees.</td>
<td>Yes, you will be automatically enrolled at 3% contribution unless you opt out</td>
<td>Yes, see plan document for employer match</td>
</tr>
<tr>
<td><strong>Defined Benefit Plan (Pension)</strong></td>
<td>Must meet eligibility requirements in order to participate — see plan document for details. Does not apply to Covia Affordable Communities employees</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Flexible Spending Account</strong></td>
<td>See plan document for current year limits</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Dependent Care Flexible Spending Account</strong></td>
<td>See plan document for current year limits</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Commuter Benefit</strong></td>
<td>See plan document for current year limits</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
Insurance Benefits

Group Health, Dental, and Vision Insurance
Medical benefits are available for employees who work 30 or more hours each week. Please read the plan documents for details about coverage and benefits for each plan.

Disability Insurance
You will see deductions in your paycheck for State Disability Insurance (SDI). If you are unable to work due to illness or injury unrelated to employment, or if you take time off to care for a seriously ill family member, this insurance will be available to you. For more information on this benefit, contact the Employment Development Department of the State of California, which is responsible for the administration of this plan.

Workers’ Compensation Insurance
If you are injured on the job, you are entitled to Workers’ Compensation Benefits.

![Please report any work-related accidents, injuries, or illness to the supervisor on duty or to your Human Resources representative immediately.]

Be aware that California law makes it a crime to knowingly file a false or fraudulent claim for Workers’ Compensation benefits, or to knowingly submit false or fraudulent information in connection with any Workers’ Compensation claim. This is also against company policy and will result in disciplinary action up to and including termination of employment.

Life Insurance and Accidental Death & Dismemberment Insurance
Covia provides group life insurance and accidental death & dismemberment insurance to eligible employees. Please see the plan document for details.

Long Term Disability
Covia provides group long term disability benefits to eligible exempt employees. Please see the plan document for details.

Open Enrollment
Open Enrollment is a period of time each year during which you may add or drop health insurance, or make changes to your current coverage. During this time you also have the opportunity to add or drop dependents.

![Please inform your Human Resources representative if you have a change in status that will affect your benefits, such as getting married or having a child.]

Benefits at Covia | 31
403(b) Retirement Savings Plan
You are immediately eligible to participate in the 403(b) plan. To encourage all employees to plan for retirement, Covia will automatically enroll you in the plan unless you opt out. Your first 403(b) deduction will begin after 30 days of employment.

Ask your Human Resources representative for further details.

Defined Benefit Retirement Plan (Pension)
Unlike many other companies, Covia still offers a pension plan that provides regular payments to many of our employees after retirement. You must meet the following requirements:

- Be 21 years of age and employed for 1 year
- Work for Covia Communities a minimum of 1,000 hours per year for 5 years in order to be vested in the plan
- Not enrolled in other pension plans paid by Covia
- Does not apply to Covia Affordable Communities employees

You can learn more about the Defined Benefit Retirement Plan from your Human Resources representative.

Pre-Tax Savings Plans
These plans allow you to defer funds on a pre-tax basis to cover the following expenses:

- **Flexible Spending Account**: This account can be used for eligible health-related expenses for you, your spouse, or dependent children.
- **Dependent Care Spending Account**: This account can be used for childcare-related expenses.
- **Parking & Transit Benefit**: You can use this plan for parking and public transportation expenses related to your commute.

It is important to plan wisely, as account balances greater than the IRS rollover guidelines will not carry over to the new plan year.

Training and Educational Assistance
With prior approval, Covia provides reimbursement for the cost and some expenses for education or training in work-related programs.

To qualify for reimbursement,

- The training must be directly related to your current job or career path at Covia;
- The training or courses must be offered by an accredited institution;
• You must be an employee in good standing, including satisfactory job performance and attendance;
• You must make the request before the course begins;
• Your supervisor must initiate and approve the written request;
• You must receive approval both from the local Executive Director and from the Support Services’ Human Resources department; and
• You must successfully complete the training or course.

If you wish to receive this benefit, contact your Human Resources representative and supervisor before registering to ensure your courses meet the guidelines for reimbursement.

Covia continually offers a variety of voluntary benefits. Please check with your Human Resources representative for the most up to date offerings.
Meal Periods, Rest Periods, and Other Accommodations

Rest and recovery are an important part of being effective in your job. For your wellbeing and the wellbeing of our residents, and as mandated by California law, Covia requires that employees take all legally required breaks and meal periods.

**Meal Periods**

The standard meal break is a full, uninterrupted 30 minutes. During this time you are relieved of all job duties, and are free to leave your campus or job site.

If you are a *non-exempt employee*, you will need to record when you begin and end your meal period. California law requires that you clock out for your meal period before your 5th hour of work. Meal periods are not optional, and you do not get paid for your meal period.

If you work more than 10 hours in a day, you will receive 2 meal breaks. Please take your second break before your 10th hour of work.

There are *very limited* cases when your meal period can be waived (skipped), described below.

**Waiver of a Meal Period**

You may waive (skip) your meal period only under the following circumstances:

- If your work day will be completed in 6 hours or less *–or–*
- If you have already taken your first meal period that day and are entitled to a second, but will work no more than 12 hours

and

- If your supervisor approves.

Waiving your meal period does not mean you get to shorten your overall work day.

**On-Duty Meal Period**

If the nature of the job doesn’t allow you to be relieved of all duties, you may be authorized to work an “on-duty meal period.” Both you and Covia must agree to this in writing and either you or Covia can change this agreement at any time.

If you’re required to work through a meal period, Covia will pay you an additional one hour of pay at your regular rate.

<table>
<thead>
<tr>
<th>Hours Worked</th>
<th>Number of 30-minute Meal Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>0</td>
</tr>
<tr>
<td>5–10 hours</td>
<td>1</td>
</tr>
<tr>
<td>10 or more</td>
<td>2</td>
</tr>
</tbody>
</table>
**Rest Periods**

If you work 3½ hours or more in a day, you are entitled to paid rest breaks. You may use your break however you wish. However, due to the short length of the break, you will need to stay on the job site or campus where you work.

In general, you can choose when you want to take your rest break, though your supervisor might ask you to reschedule to make sure your department runs smoothly. You cannot combine your rest periods together or add them to your meal periods.

If you’re required to work through your rest period or don’t have an opportunity to take a rest period due to an emergency, Covia will pay you an additional one hour of pay at your regular rate.

<table>
<thead>
<tr>
<th>-- Hours Worked in a Day</th>
<th>Number of Paid 10-minute Rest Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3.5 hours</td>
<td>0</td>
</tr>
<tr>
<td>3.5 hours up to 6 hours</td>
<td>1</td>
</tr>
<tr>
<td>6 hours up to 10 hours</td>
<td>2</td>
</tr>
<tr>
<td>10 hours up to 14 hours</td>
<td>3</td>
</tr>
<tr>
<td>14 hours up to 18 hours</td>
<td>4</td>
</tr>
<tr>
<td>18 hours up to 22 hours</td>
<td>5</td>
</tr>
<tr>
<td>22 hours up to 24 hours</td>
<td>6</td>
</tr>
</tbody>
</table>

**Lactation Breaks**

If you are expressing breast milk for your child, we will work with you to find accommodations for both the time and the space you need. Please talk to your immediate supervisor or your local Human Resources representative to work on a mutually agreeable solution.

If possible, lactation breaks should be taken at the time you take other breaks already provided. If you are a non-exempt employee and are taking a lactation break that is not part of your normally scheduled rest period, you will need to clock out or record it on your time sheet.

We will make an effort to provide you with the use of a room or other location near your work area where you can express milk in private.
Ergonomic Adjustments

Some equipment can be adjusted to better suit your particular physical needs. Please talk to your Human Resources representative if you need help adjusting your equipment or getting equipment that helps you do your job safely and effectively.

Accommodations for Physical Disabilities

Covia is committed to complying with all laws protecting qualified individuals with disabilities and to living up to our own guiding principles of celebrating and fostering the diversity of those who live and work in our communities. Please notify your Human Resources representative if you require accommodations to perform the essential functions of your job. We will work with you to identify potential solutions to provide reasonable accommodations for any known physical or mental disability. However, the accommodation cannot create an undue hardship for the company or pose a direct threat to the health or safety of others.

Accommodations for Religious Observances

Covia welcomes and celebrates people of all faiths or none as part of our communities and our workforce. Please notify your Human Resources representative if your religious beliefs/observances require an accommodation to perform the essential functions of your job. We will work with you to identify potential solutions to provide reasonable accommodations, provided they do not create an undue hardship for the company and do not pose a threat to the health or safety of others.

If you feel an accommodation would help you, we encourage you to begin the conversation without fear of retaliation. If you believe you have not been treated in accordance with our policies, please contact your local Human Resources representative or the Vice President of Human Resources at Support Services.
One of Covia’s guiding principles is:

**Respect one another. As community members, we believe in working together and treating one another with dignity at all times.**

We are committed to providing a work environment free of harassment, discrimination, and retaliation. No one should be subject to harassment — not you and your coworkers, nor our residents, our contractors, or anyone who works with or for Covia — for any reason — not for your age, ethnicity, religion, gender or gender identity, sexual orientation, marital status, pregnancy, veteran status, disability, nor any other category protected by law.

When someone’s behavior, either in words or in actions, is unwelcome, is based on or refers to a protected category1, and is severe or pervasive enough so that a reasonable person would consider the workplace intimidating, hostile, or abusive, the behavior is considered harassment.

Harassment will subject an employee to disciplinary action up to and including immediate termination. Covia also prohibits its residents, vendors, suppliers, independent contractors, and others doing business with us from harassing our employees or residents.

**However, we can’t stop a harassment problem when we don’t know it is happening.**

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If you observe or experience behavior you suspect is harassment in your workplace, please talk to your supervisor, local Human Resources representative, the Vice President of Human Resources at Support Services, or the Covia Compliance Officer (888.924.9222).

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Covia takes all complaints of harassment seriously and will not penalize or retaliate against anyone who reports a harassment problem in good faith. All harassment complaints are kept confidential.

If you are unsure about whether the behavior you are observing or experiencing is harassment, please refer to the information in the sections below as a guide. Not every type of conduct that can be classified as harassment is listed, so if in doubt, ask your supervisor or another manager.

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1Includes age, ethnicity, religion, gender or gender identity, sexual orientation, marital status, pregnancy, veteran status, disability, and other categories protected by law.
Behavior may be considered sexual harassment when a person or group of people uses sexually suggestive words or actions in a way that creates a hostile work environment for those exposed to them. This may include referring to a person’s gender, gender identity, or sexual orientation. Whatever the intention behind them, remarks and behavior can be considered sexual harassment if a reasonable person would find them to be discriminatory, insulting, threatening, or intimidating.

Sexual harassment can be experienced by both women and men. Even those who are not the direct target of the behavior, but who are affected by behavior towards others, can be the victims of sexual harassment.

The following are a few examples of behaviors that might be considered sexual harassment:

- Sending unwelcome texts, emails, notes or images that describe or show sexual behaviors or activities
- Using sexual comments or gestures to describe a person’s appearance, clothing, or body
- Staring in a sexually suggestive or offensive manner
- Insulting a person using slurs or comments about their sexual orientation or gender identity
- Deliberately making it difficult for a person to work without physical contact, or consistently creating reasons to touch or brush up against another person
- Offering job opportunities in exchange for sexual favors, or threatening to withhold job opportunities if sexual favors are not provided
- Making jokes or comments of a sexual nature or posting sexually suggestive images in the workplace
- Asking questions about someone’s sexual history or sexual orientation
Comments or behavior related to a person’s race, religion, gender, ethnicity, age, sexual orientation, disability or other protected categories may also be considered harassment. Whatever the intention behind them, remarks and behavior may be considered harassment if a reasonable person would find them to be discriminatory, insulting, threatening, or intimidating.

The following are a few examples of behaviors that might be considered harassment:

- Making jokes about a person’s ethnic background, race, religion, disability, gender, age, etc.
- Posting images in the workplace that illustrate racial, ethnic, or other stereotypes
- Making comments on or behaving negatively toward someone due to a person’s age, disability, or other protected characteristic
- Using nicknames that refer to a person’s background or beliefs
- Offensively talking about negative racial, ethnic, or religious stereotypes
- Threats, intimidation and other menacing behavior
- Writing, texting, or otherwise using racial or ethnic slurs, or other offensive remarks

As mentioned earlier, behavior is considered harassment when it is unwelcome, is based on/refers to a protected category, and is severe or pervasive enough so that a reasonable person would consider the workplace intimidating, hostile, or abusive.

If you have questions about what is or is not harassing behavior, please talk with your supervisor or another member of management.
**Reporting Harassment**

If you believe you have experienced harassment or have observed another employee, resident, or someone visiting or working in our communities being harassed, please report the incident immediately to any of the following:

- Your supervisor
- Your local Human Resources representative
- The Vice President of Human Resources at Support Services
- Covia’s Compliance Officer: 888.924.9222

All reported complaints of illegal and prohibited harassment will be treated confidentially.

*If you are a supervisor* and you receive a complaint of harassment, discrimination, or retaliation, you must promptly report the complaint to your local Human Resources representative, and/or the VP of Human Resources, and/or the Covia Compliance Officer.

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**Investigating Harassment**

All reported complaints of unlawful harassment will be investigated promptly by an impartial and qualified person or team of people. When the investigation is finished, Covia will take appropriate corrective action.

All employees are required to cooperate with internal investigations. Participating in an investigation might include:

- Filing a complaint with a government agency;
- Filing an internal complaint with Covia;
- Providing information to the investigating team;
- Testifying as a person who witnessed alleged harassment.

Employees are prohibited from interfering with or blocking internal investigations and internal complaint procedures. Employees who refuse to cooperate with investigations will be subject to disciplinary action up to and including termination.

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**What is a Compliance Officer?**

The Covia Compliance Officer makes sure our organization complies with the laws, including laws about privacy and industry regulations. If you have any concerns about legal or other compliance issues, you can call the Compliance Officer hotline at 888.924.9222.
Retaliating against those who report or participate in an investigation of alleged unlawful harassment is prohibited. Retaliation means attempting to punish a person for something they did. In the workplace, retaliation might look like changing a person’s shift, reducing their hours, passing them over for promotion, or otherwise blocking their job opportunities.

If you believe you are being retaliated against as a result of your role in an ongoing harassment case, please report the incident immediately to any of the following:

- Your supervisor
- Your local Human Resources representative
- The Vice President of Human Resources at Support Services
- Covia’s Compliance Officer: 888.924.9222

Employees who violate Covia’s policy against harassment, discrimination, and retaliation will be subject to disciplinary action up to and including immediate termination.

Any employees who condone or ignore potential violations of this policy will be subject to appropriate disciplinary action up to and including termination.

Additionally, under California law, employees may be held personally liable for harassment-related conduct which violates the California Fair Employment and Housing Act.

Please remember our guiding principle: Treat one another with dignity at all times.
Health and Safety

Covia’s mission is focused on cultivating healthy communities. Part of how you can help in fulfilling our mission is through supporting good health and safety practices. In addition to the information below, during your orientation, you will receive information on general and job-specific safety and health practices. While you work for Covia, you will learn more about the Injury and Illness Prevention Program (IIPP) and will get regular training on health and safety related topics.

Health and Safety Basics

Please use common sense safety practices and report any safety issues you notice to your supervisor.

Wear your ID at all times. Be alert to unfamiliar people on your campus, both to offer hospitality to guests and to be aware if someone has entered the campus who should not be there. Inform security if you have concerns.

Please learn the emergency procedures at your location. Follow instructions during emergency drills and be prepared in case of emergency.

If you are sick, please focus on getting well and avoid coming to work. There may be others around you in the workplace or among those we serve who are vulnerable to serious infection.

All accidents — including those that do not involve injury and those involving residents — must be reported as soon as possible to your supervisor, your local Human Resources representative, or the Executive Director of your community.

Tuberculosis (TB) Screening and Annual Employee Physicals

Based on the community in which you work and the type of work you do, employees are required to complete an annual physical and tuberculosis (TB) and symptom screen questionnaire. These will take place at no cost to you if you use Covia’s designated medical professionals. Your medical records will be kept confidential.

Annual physicals and TB screenings are performed to satisfy state, federal and local laws. Failure to provide accurate and timely documentation can result in disciplinary action up to and including termination.

Flu Shots

Employees who spend any time working in Skilled Nursing or Health Services are required to get an annual flu shot. All employees are strongly encouraged to get an annual flu shot, whether or not they work in a health care setting.
Covia Communities and Support Services generally provide on-site flu shots at least once a year. Please pay attention for any announcements regarding the date for upcoming clinics in your community. Employees can also be reimbursed for the cost of a flu shot if they provide documentation and follow expense reimbursement procedures.

If your job requires you to use or handle hazardous or toxic materials, you are expected to comply with all laws, rules and regulations regarding their safe handling and disposal. If you have questions about any of the materials you use, please talk with your supervisor.

Some equipment can be adjusted to better suit your particular physical needs. Please talk to your Human Resources representative if you need help adjusting your equipment or getting equipment that helps you do your job safely and effectively.

Please keep your work area neat and orderly to prevent unsafe conditions and potential accidents. At the end of your shift, clean and store all equipment safely. Make sure the floor is clear of debris or spills. If you notice anything left in a way that is potentially dangerous, report it immediately to the area supervisor.

Covia has a no smoking policy for all of our communities, buildings, and vehicles. This policy applies to visitors, vendors, and residents as well as employees. It also includes electronic cigarettes ("e-cigarettes") or any other personal vaporizing device. And of course smoking is prohibited in all areas where there is paint, oxygen tanks, or other flammable materials. Smoking is limited to designated outdoor areas only. Please ask your Human Resources representative where these are located in your community.

Only authorized employees may operate company vehicles. For your own safety as well as the safety of our residents, please do not provide transportation for our residents unless you are authorized to do so.

Before riding as a passenger in a company vehicle, you must be authorized to do so by your supervisor. Permitting unauthorized passengers may lead to disciplinary action, up to and including termination.
Everyone riding in a company vehicle must use a seatbelt. Failure to use seatbelts in a company vehicle, aside from being unsafe, may lead to disciplinary action, up to and including termination.

Drivers are not allowed to use cell phones or other handheld devices while driving. You must pull over to the side of the road and stop the vehicle before calling, texting, getting map directions, or otherwise using the device. Employees who violate this policy will be subject to disciplinary action, up to and including termination.

Before being authorized to drive company or resident vehicles, you must hold a valid California driver’s license for the class of vehicle being used. If your duties include the operation of company or resident vehicles, you must notify Covia immediately if there is any change in the status of your driving record. If your duties include the operation of company or resident vehicles and you are convicted of DUI/DWI or for reckless driving, you will be considered to have an unacceptable driving record and your continued employment will be subject to review.

If there is any damage to a company vehicle while it is in your charge, you must report the damage immediately. If you receive a traffic citation while operating a company or resident vehicle, you will be responsible for paying any fine or penalty. If you are involved in a traffic accident while operating a company or resident vehicle, you are required to call 911 and report the accident. You must also report the accident to your local Human Resources representative immediately.

You may never use a motorcycle to conduct business or provide transportation for a resident or fellow employee.
As you get oriented, you’ll be introduced to our intranet, CoviaNet. You will also receive the IT equipment you need to perform your job. Chances are that you also have your own personal electronic and communication devices. This section provides some additional information about using these resources appropriately while on the job.

**CoviaNet**

The company intranet, CoviaNet, contains many resources you will use during your time at Covia, including access to online applications, such as our online training portal and electronic health records; directories with contact information for staff at all communities; and documents such as this one, among other things. It’s also a source for sharing news about Covia, including Gratitude Postings, where any employee can add a post celebrating the great work of a colleague.

CoviaNet can be accessed through company computers when you open the Internet Explorer browser.

**Covia Equipment**

Depending on your job and role, you may have received Covia-issued equipment such as a desktop computer, laptop, tablet, phone, or cell phone. These tools are intended to help you in your job duties. Please do not abuse them, either in how you use them or how you treat them.

All Covia equipment as well as the data and information stored, transmitted, or received on them are company property. Personal use of the systems is authorized within reasonable limits as long as it does not interfere with or conflict with business use, or violate either the law or our policies. If you use Covia equipment for personal reasons and there is a charge, Covia may deduct those charges from your paycheck.

Please exercise good judgment — and remember that Covia reserves the right to monitor the use of all company equipment or to wipe or reset systems.

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**Examples of unacceptable use:**

- Sharing access with a non-employee
- Sharing confidential internal information
- Downloading or sharing copyrighted information
- Gambling
- Streaming movies, videos, or television
- Electronic gaming
- Day trading, cryptocurrency mining
- Soliciting personal business opportunities
You may not use personal storage devices, such as thumb drives or external hard drives, or introduce software programs on Covia equipment without first getting permission from your local IT representative and then scanning the devices for viruses. Introducing a virus into Covia’s equipment through personal software or external devices may be considered gross negligence or willful misconduct. You may be held responsible for the consequences, including cost of repair and lost productivity.

Employees who damage Covia’s computer system through unauthorized use may be liable for the costs resulting from any damage. Unlawfully accessing or using copyrighted, confidential, or proprietary information, or using the computer system to harass others may also be subject to criminal prosecution and/or substantial money damages.

If you leave Covia, you must return all company equipment to Covia, as well as any software, documents, data, or other information that is on the company equipment.

For Covia’s complete Acceptable Use Policy, please go to the Documents section of CoviaNet.

Covia copiers, scanners, and fax machines are intended for business use only. Any non-business use must be approved by a manager. Employees are prohibited from scanning, transmitting, receiving or copying materials which may be considered offensive or insulting or in violation of Covia’s policy against unlawful harassment. If you notice or receive anything that meets that description, please report the transmission immediately to your local Human Resources representative.

If you bring personal electronic equipment to work, please exercise good judgment and do not let your personal devices distract you or your co-workers from your job responsibilities.

Covia is not responsible or liable for the loss of personal devices brought to the workplace.

Whenever possible, please conduct Covia business using a company landline or cell phone. If you are required to use your personal cell phone for work-related business, you will generally be reimbursed at a reasonable rate. To get reimbursed, you will need to submit your cellular phone bill for approval by the first week after you receive it. Please consult with Human Resources if you believe your business expense is greater than your reimbursement.

Violations of Covia’s No Harassment Policy, Equal Employment Opportunity Policy, or any other Company Policy are held to the same standards of disciplinary action whether an employee is using a personal or company device.
Do not take photos, videos, or audio recordings of your fellow employees, vendors, contractors, or other staff without asking and receiving their permission.

Unless you are authorized by Covia to do so, you are prohibited from taking photographs, videos, or audio recordings of residents or any other people Covia serve at any time. Employees who violate this policy are subject to disciplinary action, up to and including immediate termination of employment.

Social Media

Covia respects your right to use social media. However, you should be aware that information you share on publicly accessible online social media about Covia or about yourself may be monitored or reviewed by anyone at any time, either at Covia or in the general public.

The following behaviors are against Covia policy and are prohibited.

- You may not post or display comments, photos, or other social media posts that violate resident privacy or HIPAA regulations.
- You may not post a photograph of or information about a resident, vendor, supplier, supervisor or manager without that individual’s express permission.
- You may not post or display comments, photos, or other social media posts that violate Covia’s policies against discrimination, harassment, retaliation, or hostility.
- You may not engage in activities involving social media that violate other established Covia policies or procedures.
- You may not post or display content that is an intentional public attack on Covia’s products or services in a manner that a reasonable person would perceive is calculated to harm Covia’s business and that is unrelated to any employee concern involving wages, hours, or other terms or conditions of employment.
- You may not use company-owned equipment (including computer systems, software, or other electronic equipment), Covia facilities, or company time to conduct personal blogging or social networking activities.

(Continued on next page)
• Unless authorized and approved by Covia, you may not publish or disclose any promotional content about Covia or its communities or services.

• Unless authorized by Covia, you may not use social media while working.

Violations of this policy may result in disciplinary action up to and including termination.

Information posted on social media has the potential to impact business operations, affect resident relations, or create legal liability. Even on social media, employees are subject to policies and procedures including (but not limited to):

• Protecting confidential information;
• Safeguarding company property;
• Prohibiting unlawful discrimination, harassment and retaliation;
• Proper use of Covia computers, telephone, and other electronic and communication systems.

These policies do not interfere with your right to discuss or share information about your wages, hours, or other terms and conditions of employment — or to keep them private.

If you have any questions about these policies, please talk to your supervisor or your Human Resources representative.

Covia hosts a variety of social media accounts, managed by Covia employees, and is the owner of the materials posted on them. As part of our communications program, we may take photos of you to post on our social media channels.

When the managers of Covia’s social media channels leave the organization, they are required to return all logins and passwords for these accounts.

You are invited to follow Covia, its communities and programs on social media!

Other Media

Do not speak to media outlets on Covia’s behalf without first receiving authorization. All media inquiries should be directed to the Senior Director of Communications at Support Services. Media includes (but is not limited to) print, radio, television, or podcasts.
Getting Help

Mandated Reporter
All Covia employees are mandated reporters of elder abuse under California law. If you suspect elder abuse, neglect, or exploitation, report it to your supervisor immediately and submit a report to the appropriate state agency. To learn more about types and signs of elder abuse, please go to: http://www.cdss.ca.gov/inforesources/Adult-Protective-Services

Employee Assistance Program
Another benefit available to all employees is the Employee Assistance Program (EAP). EAP provides support for you, your spouse or domestic partner, or your dependents, including:

- Short-term counseling
- Parenting and childcare resources
- Eldercare resources and referrals
- Legal consultations
- Financial coaching

Services provided by EAP are confidential. Your participation in the Employee Assistance Program will not be disclosed to anyone without your written consent unless permitted or required by law. To learn more, please visit our EAP provider’s website: https://www.concern-eap.com/employee-guide

Employee Emergency Fund
The Covia Employee Emergency Fund is designed to provide monetary assistance for employees in need due to unexpected verifiable emergency situations, such as a fire, medical emergency, accident, or theft.

Employees are limited to receiving one grant during a 24-month period. Grants typically are for $2,500 or less. You must be a Covia employee for at least 6 months and in good standing before applying.

You may also sign up to donate to the Employee Emergency Fund through a payroll deduction or one-time gift. You are not required to contribute to the Emergency Fund to receive a grant.

If you encounter an emergency situation, please talk to your Human Resources representative to see if you qualify to apply for a grant from the Covia Employee Emergency Fund.
If you are a victim of domestic violence, sexual assault, or stalking, you may receive unpaid leave to do a range of activities, including:

- Attend legal proceedings
- Obtain a restraining order
- Get services from a domestic violence shelter or rape crisis center
- Seek medical attention for injuries caused by domestic violence or sexual assault
- Relocate to protect against future domestic violence or sexual assault.

You must provide advance notice of the need for leave. If advance notice is not possible, you must provide Covia with one or more of the following documents when you return to work as certification of your absence:

1. A police report that says you are a victim of domestic violence or sexual assault;
2. A court order stating you require protection or other evidence from the court or prosecutor that you appeared in court;
3. Documentation from a medical professional, health care provider, domestic violence or sexual assault victim advocate, or counselor showing your absence was due to treatment for injuries from domestic violence or sexual assault.

You may choose to use PTO or paid sick leave, if available, for your absence.

In addition, if you are a victim of domestic violence, sexual assault, or stalking, you are entitled to reasonable accommodations for your safety while at work. This might include:

- A transfer or reassignment;
- A modified schedule
- A change to your work phone or work station
- An installed lock
- Assistance in documenting incidents of domestic violence, sexual assault, or stalking that occur in the workplace;
- An adjustment to your job duties and position

If you require an accommodation, please notify your supervisor or local Human Resources representative. We will engage you in a timely, good faith, and interactive process to determine effective reasonable accommodations.
Drug and Alcohol Rehabilitation

If you wish to seek treatment and/or rehabilitation for a chemical dependency, Covia will attempt to reasonably accommodate you, unless the accommodation places an undue hardship on business operations. Unpaid leave is available to attend drug and alcohol rehabilitation programs. You must use PTO or paid sick leave before taking unpaid time for your absence.

Our support for treatment and rehabilitation does not obligate Covia to hire or employ anyone who violates Covia policies regarding alcohol or drug use; who is unable to perform his or her duties; or who cannot perform the duties of the position without endangering his or her health or safety or the health or safety of others.
Careers at Covia

Wherever you start in this organization, there are opportunities to grow and advance. In our industry, employees have moved from being dining room server to director, night shift nurse to executive director, even CNA to CEO.

Covia is committed to providing all employees and applicants equal employment opportunity in accordance with all applicable federal, state and local laws. We employ without regard to age, ethnicity, religion, gender, gender identity or expression, sexual orientation, marital status, pregnancy, servicemember/veteran status, disability or any other protected status.

This commitment extends to all aspects of our employment practices including recruiting, hiring, training, compensation, benefits, promotions, transfers, leaves of absence and terminations.

We support the rights of each employee to be treated with respect and dignity. We continue to work to improve our policies, to provide fair treatment and to encourage positive relations.

If you are interested in applying for an open internal position, please inform your supervisor and get approval before you apply. If you apply and meet the following criteria, you will be considered for an interview if:

- You have worked at Covia in your current role a minimum of 12 months;
- You meet the requirements of your current job, including no documented corrective actions in the past six months;
- You meet the minimum qualifications of the posted position.

From time to time, you may be asked to work on special assignments or to help with other work that is necessary or important to your department or Covia. Cooperation and assistance in performing such additional work is expected from all employees.

Please note that job responsibilities may change at any time while you work for Covia. Covia reserves the right to alter or change job responsibilities, reassign, transfer, or assign additional job duties with or without notice, at any time.

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2 Covia CEO Kevin Gerber began his career as a nursing assistant in a rural nursing home in his home state of Minnesota.
If you have a second job, don’t let it interfere with the work you do for Covia. This may include being unable to complete your job responsibilities due to being tired or overextended.

Another way outside employment can interfere with your work is through conflict of interest. Our policy forbids employees from engaging in any other business which competes with Covia, or from holding a financial or ownership interest in an entity which conducts business with or is a competitor. (This does not include publicly traded stocks.) Providing consulting services to a competitor or to someone who conducts business with a competitor is also prohibited.

You may not accept employment from residents or engage in business that creates a conflict of interest with Covia. Please notify the VP of Human Resources if you suspect you may have a conflict of interest.

If you believe you may have a conflict of interest, it is your responsibility to notify Human Resources and to get acknowledgment in writing that Covia is aware of your other employment or business dealings and allows you to proceed.

Employee Referral Program

If you know someone who you think would be a great addition to our organization, you may receive a cash bonus if you refer them for employment and they are hired.

There are two levels of referral bonuses:

- $500 for the hire of a full-time position
- $300 for the hire of a part-time position

All referral bonuses will be “grossed up” to ensure you receive the full amount shown above. We pay the taxes for you!

Referral bonuses will be paid only on those open positions designated as referral eligible. Not all jobs are eligible for the referral bonus, so please check with your Human Resources representative to make sure.

**Please note:** Covia will not hire relatives where problems might come up regarding supervision, security, safety, or morale or where potential conflicts of interest exist.

You can find out more about the Employee Referral Program on CoviaNet under Human Resources, or talk to your Human Resources representative.
Your Personnel Records

Please keep your personnel records up to date! Your personnel records give us the ability to contact you directly and to ensure that all appropriate benefits are available to you.

Keep the following information updated through our Employee Self Service portal on CoviaNet:

- Change of name
- Change of address
- Change of phone number or additional phone number
- Number of dependents
- Other information that affects how we can contact you
- Other information that may impact your benefits

Covia limits the access to personnel records to the employee and to those with proper authorization or who have authorization as part of a legal process.

Covia will make personnel records available for you to review or provide a copy of your personnel records to you or your designated representative within 30 days of your written request (or the written request of your designated representative). You may review your own personnel file with a local Human Resources representative present to answer your questions.

A manager may review an employee’s personnel file if that employee reports to the manager or the employee has been interviewed and is being considered for a position reporting to that manager. An employee’s personnel records may also be reviewed by investigative agencies or during periodic internal audits conducted by Covia.

No documents in your personnel file will be released without your consent, except as part of a legal process. Any records of medical evaluation results will be kept in a separate file, as is legally required, and may only be reviewed by those who are authorized to do so.
**Outside Inquiries About Employees**

No information should be given to an outside source regarding any employee by any other employee or manager.

All inquiries from outside sources regarding employees, including requests for references, should be directed to your Human Resources department or the Human Resources department at Support Services.

Covia’s policy on references for employees who have left the company is to share only the dates of employment and the title of the last position held. If an employee has given written authorization, Covia will also provide information on the final amount of salary or wage earned.

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**Leaving Covia**

If you choose to resign from your position, we ask you to provide at least 2 weeks’ written notice to your supervisor. You are responsible for returning any company property in your possession, or for which you are responsible.

Before you leave, you may be asked to attend an exit interview conducted by your supervisor or by your local Human Resources representative. This interview is meant to find out the reasons you are leaving so that Covia can learn about any opportunities for creating a better work environment, and to resolve any questions of compensation, Covia property, or other matters related to your departure.

On or about your last day, Human Resources will meet with you and give you your final paycheck, collect company property, including but not limited to keys, entry cards, uniforms, computer equipment, company credit card and company cell phone.

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**Getting Rehired**

Former Covia employees eligible to be rehired may apply for an open position for which they are qualified. They must fill out a new employment application as well as meet the requirements for criminal clearance, reference checks, licensure and social security verification, physical and TB screen.

If you decide to explore employment outside of the company but then return to Covia, you will be eligible to participate in our health and welfare benefits just like before; however, please speak with your Human Resources Representative for eligibility details. At Covia’s discretion, an employee rehired after less than one year’s break in service will have credit for all past service restored.

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**At Will Employment**

As a reminder, Covia is an “at-will” employer. This means that either you as an employee or Covia as an employer may terminate employment at any time, with or without cause or notice.
Where to Go from Here

Though we have covered a lot of information, this handbook is obviously not the source of all knowledge. You’ll be learning a lot as you go along from your supervisor and your colleagues. Here are a few more resources where you can find information, give feedback, and ask questions.

**CoviaNet**

CoviaNet, the company intranet, contains a wealth of information, news, and resources. CoviaNet can be accessed through company computers when you open the Internet Explorer browser. Among other things, you can find the following:

- **Application links:** Access to all of our online software
- **Staff Directories:** Names and contact information for all Covia employees are listed at their work location
- **Forms:** Downloadable forms for finance, HR, or other departments
- **Covia headlines:** News or information about what’s going on throughout the organization
- **Gratitude Postings:** Sharing our thanks for the good things we do
- **And more:** Use the Search bar in the upper right corner of CoviaNet to search for specific documents or information

**Bulletin Boards**

In each Covia location, you may find a bulletin board where company information is posted to inform you about safety news, government regulations, or company updates. Please note: No information may be placed on these bulletin or message boards without getting approval from your local Human Resources representative.

**Suggestion Boxes**

In each Covia location, you will find a suggestion box where you can submit recommendations to management. Your local Human Resources representative reads the comments, which will remain anonymous, and will share the information with the appropriate person or people.

**Employee Engagement Survey**

At least every 2 years, Covia distributes an Employee Engagement Survey. This survey gives every employee an opportunity to give their feedback so that Covia can become an even better place to work. Survey results are anonymous. We truly appreciate receiving feedback that will help us improve.
If you have any questions or concerns about the contents of this handbook, about the work you do, or about any work related issue, please ask!

If your supervisor is not available, or if you feel your supervisor hasn’t satisfactorily answered your question or concern, please talk to your Human Resources representative.

Finally, if you have spoken to your local HR and still have not had your question resolved, please contact the Vice President of Human Resources at Support Services at 925.956.7431, or the Compliance Officer at 888.924.9222.

Covia takes each and every employee concern seriously. We will work to address your concern and resolve the problem as soon as possible.

Thank you for being part of Covia. We are truly grateful to have you as part of the team as we work together in our mission to promote positive aging and cultivate healthy and engaged communities.
Glossary of Terms

As with any group, Covia has a lot of insider terminology. We’ve added this glossary to introduce you to some of the terms you may hear.

**Affordable Housing**
Senior communities that accept residents with specific income limitations, often subsidizing the cost of rent through government funding.

**Assisted Living**
Part of the continuum of care, Assisted Living provides support for seniors who need help with activities of daily living, such as dressing or eating. Sometimes referred to as AL.

**Board of Directors**
The group of people that set the direction and goals of an organization. Covia has several boards: for Covia Communities, Covia Affordable Communities, Covia Group, and the Covia Foundation.

**CAMP**
Stands for California Meal Premium. This is a penalty Covia must pay when an employee misses a meal break.

**CCRC — Continuing Care Retirement Community**
Many people still use this term for what is now called a Life Plan Community.

**The Celtic Cup**
A golf tournament that serves as an annual fundraiser, hosted by the Covia Foundation.

**CMS**
Center for Medicare and Medicaid Services.

**CoviaNet**
Covia’s intranet program. CoviaNet launches automatically when you open Internet Explorer.

**DSS**
Department of Social Services; the state department responsible for licensing and regulating our communities.

**DPH**
Department of Public Health; the state department responsible for licensing and regulating our Skilled Nursing and health services.

**Ella**
Covia’s internal Accounts Payable system.

**Episcopal Senior Communities (ESC)**
The name of the organization until 2018 (prior to that, we were called the Episcopal Homes Foundation).

**Family Member**
For the purposes of this document, “family member” includes your spouse or registered domestic partner, your children (of any age), parents (including step parents and in-laws), grandparents, grandchildren, and siblings.

**Fiscal Year**
The 12 months that mark our budget year. The Covia fiscal year runs from April 1 through March 31. The new budget starts at the beginning of the fiscal year.

**Jobvite**
Covia’s job posting and application portal, found online at: http://jobs.jobvite.com/covia

**HIPAA (pronounced HIP-ah)**
The Health Insurance Portability and Accountability Act. This law protects people’s privacy by requiring all employees to maintain the privacy of protected health information.

**HUD**
The Department of Housing and Urban Development — the Federal agency that funds and oversees many of our Senior Affordable Housing Communities (sometimes referred to as HUD Housing).
L Drive
The shared drive on Covia’s computer system, containing files, photos, and other information.

LeadingAge
An organization that supports non-profit providers of aging services. The statewide organization is LeadingAge California.

Life Plan Community
A senior community that offers a life-long contract to provide a continuum of care from independent living through all necessary supportive services such as Assisted Living, Skilled Nursing, or Memory Care. Sometimes referred to as a CCRC.

Maggie’s Place
The name for Covia’s Memory Care neighborhoods.

Multi-level Community
A senior community with several levels of care that offers a monthly renewable contract.

Non-Profit or Not-for-Profit
An organization whose primary objective is its mission, rather than profits. Surplus of revenues, called margin, is used to further the cause, reach, or purpose of the organization, rather than paid to owners or shareholders.

PBJ
Payroll-based journaling. (As well as peanut butter and jelly.)

PCC
Point Click Care, our online resident records.

PTO
Paid Time Off.

Relias
Covia’s online training program, found under the Application links tab of CoviaNet.

Resident Council
Each community has a resident council with resident representatives who report to the community and to the Executive Director or other leaders.

Resident Service Coordinators (RSCs)
RSCs in Covia Affordable Communities connect residents with services and programs so that they can successfully age in place. RSCs also work in multi-level communities with a different focus.

Support Services
Covia’s main offices in Walnut Creek

SNF (pronounced “Sniff”)
Skilled Nursing Facility

Success Sharing
A Covia program that rewards all employees if the organization hits goals in quality, occupancy rate, and net operating income.

Wellness (and Dimensions of Wellness)
More than health, wellness includes a range of aspects, or dimensions, including spiritual, emotional, social, physical, intellectual, and financial wellness.
Appendix A: Family Medical Leave Act

The Family and Medical Leave Act and California Family Rights Act ("FMLA/CFRA") provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either twelve (12) or twenty-six (26) weeks within a twelve (12) month period depending on the reasons for the leave.

To be eligible for FMLA/CFRA leave, an employee must:

• Have worked at least twelve (12) months for Covia in the preceding seven (7) years (limited exceptions apply to the seven-year requirement);
• Have worked at least 1,250 hours for Covia over the twelve (12) months preceding the date the employee’s leave would commence;
• Currently work at a location where there are at least fifty (50) employees within seventy-five (75) miles.

All periods of absence from work due to or necessitated by service in the uniformed services are counted in determining FMLA eligibility.

FMLA and/or CFRA leave may be taken for the following reasons:

• Birth of a child, or to care or bond with a newly-born child, including incapacity due to pregnancy or prenatal medical care;
• Placement of a child with the employee and/or the employee’s registered domestic partner for adoption or foster care or to care or bond with the child;
• To care for an immediate family member (employee’s spouse, registered domestic partner, child, registered domestic partner’s child, or parent) with a serious health condition;
• To manage a serious health condition of the employee which renders the individual unable to perform their job;
• To care for a Covered Servicemember with a serious injury or illness related to certain types of military service (see Military-Related FMLA Leave for more details); or
• To handle certain qualifying exigencies arising out of the fact that the employee’s spouse, son, daughter, or parent is on duty under a call or order to active duty in the Uniformed Services (up to 12 weeks) (see Military-Related FMLA Leave for more details).
The maximum amount of leave that may be taken in a twelve (12) month period for all reasons combined is twelve (12) weeks, with one exception. For leave to care for a Covered Service member, the maximum combined leave entitlement is twenty-six (26) weeks, with leaves for all other reasons constituting no more than twelve (12) of those twenty-six (26) weeks. Also, in addition to leave available under the FMLA and CFRA, female employees may be eligible for leaves of absence during periods of disability associated with pregnancy or childbirth. Please see the Pregnancy Disability Leave of Absence Policy for further information on this type of leave.

**Definitions**

A “Serious Health Condition” is an illness, injury, impairment, or physical or mental condition involving either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition which either prevents the employee from performing the functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement includes an incapacity of more than three full calendar days and two visits to a health care provider or one visit to a health care provider and a continuing regimen of care; an incapacity caused by pregnancy or prenatal visits, a chronic condition, or permanent or long-term conditions; or absences due to multiple treatments. Other situations may also meet the definition of continuing treatment.

**Identifying the 12-Month Period**

Covia measures the twelve (12) month period in which leave is taken by the “rolling” twelve (12) month method, measured backward from the date of any FMLA/CFRA leave with one exception. For leave to care for a Covered Servicemember, Covia calculates the twelve (12) month period beginning on the first day the eligible employee takes FMLA leave to care for a Covered Servicemember and ends twelve (12) months after that date. FMLA/CFRA leave for the birth or placement of a child for adoption or foster care must be concluded within twelve (12) months of the birth or placement.

**Using Leave**

Eligible employees may take FMLA/CFRA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule (including the elimination of required overtime) when medically necessary for the serious health condition of the employee or immediate family member, or in the case of a Covered Servicemember, their injury or illness. Eligible employees may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is generally not
permitted for birth of a child, to care for a newly-born child, or for placement of a child for adoption or foster care; such leave must be taken in at least two week increments. Employees who require intermittent or reduced-schedule leave for planned medical treatment must try to schedule their leave so that it will not unduly disrupt Covia’s operations. Intermittent leave is permitted in increments of at least one hour.

**Use of Paid Leave**

Depending on the reason for leave, an employee may choose (or Covia may require the employee) to use accrued time off (such as sick leave or PTO), during their leave of absence. An employee receiving wage replacement benefits such as State disability Insurance (SDI), Paid Family Leave (PFL) or Total Temporary Disability (TTD) is not on “unpaid leave,” and therefore cannot receive their accrued time off during this time except to supplement/coordinate with the wage replacement programs. An employee who receives wage replacement benefits and wishes to receive accrued PTO or Sick Leave time after those benefits cease must notify Covia of the cessation wage replacement benefits. Additionally, depending on the purpose of leave request, the employee may choose to take leave pursuant to a short- or long-term disability leave plan, during the otherwise unpaid portion of the employee’s FMLA/CFRA leave. This paid disability leave runs concurrently with FMLA/CFRA leave, and may continue longer than the FMLA/CFRA leave if permitted by the disability leave plan.

**Maintenance of Health Benefits**

If an employee and/or the employee’s family participate in our group health plan, Covia will maintain coverage during the employee’s FMLA/CFRA leave on the same terms as if the employee had continued to work. If applicable, the employee must make arrangements to pay their share of health plan premiums while on leave or upon their return from leave. In some instances, Covia may recover premiums it paid to maintain health coverage or other benefits for the employee and the employee’s family. Use of FMLA/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee’s leave. Consult the applicable plan document for all information regarding eligibility, coverage and benefits.

**Notice and Medical Certification**

Prior to the start of an employee’s leave, Covia will require a statement from the employee’s health care provider indicating that the employee is unable to perform their job and the anticipated date of return. In the event leave exceeds the anticipated date of return, it is the employee’s responsibility to provide further verification from their health care provider that the employee is unable to perform job duties and the revised anticipated date of return.
When seeking FMLA/CFRA leave, the employee must provide:

- Thirty (30) days advance notice of the need to take FMLA/CFRA leave, if the need for leave is foreseeable, or notice as soon as practicable in the case of unforeseeable leave and in compliance with Covia’s normal call-in procedures, absent unusual circumstances;
- Medical certification supporting the need for leave due to a serious health condition affecting the employee or an immediate family member within fifteen (15) calendar days of Covia’s request to provide the certification (additional time may be permitted in some circumstances). If the employee fails to do so, we may delay the commencement of the employee’s leave, withdraw any designation of FMLA/CFRA leave or deny the leave, in which case the employee’s leave of absence would be treated in accordance with our standard leave of absence and attendance policies, subjecting the employee to disciplinary action up to and including termination. Second or third medical opinions and periodic re-certifications may also be required;
- Periodic reports as deemed appropriate during the leave regarding the employee’s status and intent to return to work; and
- Medical certification of fitness for duty before returning to work, if the leave was due to the employee’s serious health condition, unless their absence was taken on an intermittent or reduced leave schedule. Covia will require this certification to address whether the employee can perform the essential functions of the position.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

To the extent required by law, Covia will inform the employee whether he/she is eligible for leave under the FMLA/CFRA. Should the employee be eligible for FMLA/CFRA leave, Covia will provide the employee with a notice that specifies any additional information required as well the employee’s rights and responsibilities. Covia will also inform an employee if leave will be designated as FMLA/CFRA-protected and, to the extent possible, note the amount of leave counted against the employee’s leave entitlement. If the employee is not eligible for FMLA/CFRA leave, Covia will provide a reason for the ineligibility.

Upon returning from FMLA/CFRA leave, the employee will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.
If an employee fails to return to work as scheduled after FMLA/CFRA leave or exceeds the twelve (12) week FMLA/CFRA entitlement (or in the case of military caregiver leave, the twenty-six (26) week FMLA entitlement), he/she will be subject to Covia’s standard leave of absence and attendance policies. This may result in termination if the employee has no other Company-provided leave available to him/her that applies to the employee’s continued absence. Likewise, following the conclusion of the employee’s FMLA/CFRA leave, Covia’s obligation to maintain the employee’s group health plan benefits may end (subject to any applicable COBRA rights).

Covia prohibits employees from holding other employment, including self-employment, while on leave of absence. This policy remains in force during all leaves of absence including FMLA/CFRA leave and violation may result in disciplinary action, up to and including immediate termination of employment.

Providing false or misleading information or omitting material information in connection with an FMLA/CFRA leave will result in disciplinary action, up to and including immediate termination.
Family Medical Leave Act leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, described below and the second is Qualifying Exigency Leave, described in Appendix C.

**Definitions**

A “covered servicemember” is either: (1) a current servicemember of the Armed Forces, including a member of the National Guard or Reserves, with a serious injury or illness incurred in the line of duty for which the servicemember is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list; or (2) a “covered veteran” who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

A “covered veteran” is an individual who was discharged under conditions other than dishonorable during the five (5) year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The period between October 28, 2009 and March 8, 2013 is excluded in determining this five (5) year period.

The FMLA definitions of “serious injury or illness” for current servicemembers and veterans are distinct from the FMLA definition of “serious health condition.” For purposes of Military-Related FMLA Leave, the term “serious injury or illness” means an injury or illness incurred by the servicemember in the line of duty while on active duty in the Armed Forces that may render the servicemember medically unfit to perform the duties of the servicemember’s office, grade, rank, or rating, or one that existed before the beginning of active duty and was aggravated by service in the line of duty while on active duty.

With regard to covered veterans, the serious injury or illness may manifest itself before or after the individual assumed veteran status, and is: (1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember’s office, grade, rank or rating; (2) a physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; (3) a physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would be so absent treatment; or (4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.
“Qualifying exigencies” include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, parental care, and post-deployment deb briefings.

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. The family member must be a “covered servicemember,” as defined above. To be eligible for Military Caregiver Leave, an employee must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. “Next of kin” means the nearest blood relative of the servicemember, other than the servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as their nearest blood relative for purposes of Military Caregiver Leave. An employee must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible employee may take up to twenty-six (26) workweeks of Military Caregiver Leave to care for a covered servicemember in a “single twelve (12) month period.” The “single twelve (12) month period” begins on the first day leave is taken to care for a covered servicemember and ends twelve (12) months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If an employee does not exhaust their twenty-six (26) workweeks of Military Caregiver Leave during this “single twelve (12) month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than twenty-six (26) workweeks of Military Caregiver Leave, however, may be taken within any “single twelve (12) month period.”

Within the “single twelve (12) month period” described above, an eligible employee may take a combined total of twenty-six (26) weeks of FMLA leave including up to twelve (12) weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the “single twelve (12) month period,” an eligible employee may take up to sixteen (16) weeks of FMLA leave to care for a covered servicemember when combined with up to ten (10) weeks of FMLA leave to care for a newborn child.
An employee seeking Military Caregiver Leave may be required to provide appropriate certification from the employee and/or covered servicemember and completed by an authorized health care provider within fifteen (15) days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.
Appendix C: Qualifying Exigency Leave

Family Medical Leave Act leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, described in Appendix B; and the second is Qualifying Exigency Leave, described below.

Eligible employees may take unpaid “Qualifying Exigency Leave” to tend to certain “exigencies” arising out of the duty under a call or order to active duty of a “covered military member” (i.e., the employee’s spouse, son, daughter, or parent). Up to twelve (12) weeks of Qualifying Exigency Leave is available in any twelve (12) month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of twenty-six (26) weeks of leave in a “single twelve (12) month period”). The maximum amount of “Qualifying Exigency Leave” an employee may utilize to bond with a military member on short-term, temporary rest and recuperation during deployment is fifteen (15) days.

Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed twelve (12) weeks in any twelve (12) month period (with the exception of Military Caregiver Leave as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a federal call to active duty, and state calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

- **Short-notice deployment**: To address any issue that arises out of short notice (within seven days or less) of an impending call or order to active duty.

- **Military events and related activities**: To attend any official military ceremony, program, or event related to active duty or a call to active duty status or to attend certain family support or assistance programs and informational briefings.
• **Childcare and school activities:** To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.

• **Financial and legal arrangements:** To make or update various financial or legal arrangements; or to act as the covered military member’s representative before a federal, state, or local agency in connection with service benefits.

• **Counseling:** To attend counseling (by someone other than a health care provider) for the employee, the covered military member, or for a child or dependent when necessary as a result of duty under a call or order to active duty.

• **Temporary rest and recuperation:** To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to fifteen (15) days of leave for each instance of rest and recuperation. If an employee’s spouse or registered domestic partner is a member of the military, he/she may be entitled to an additional ten (10) days of unpaid leave. Please refer to the Military Leave of Absence below for more details.

• **Post-deployment activities:** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to ninety (90) days following termination of the covered military member’s active duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active duty status.

• **Mutually agreed leave:** Other events that arise from the close family member’s call or order to active duty, provided that Covia and the employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the covered military member’s active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee’s relationship to the military member, within fifteen (15) days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.
Appendix D: Key Contact Information

For general information about Covia or to connect with Support Services staff:  
**Support Services Front Desk**  
925.956.7400  
info@covia.org

To report concerns about safety or legal issues:  
**Compliance Officer**  
888.924.9222

To report concerns about suspected retaliation or violations of employment policy:  
**Vice President of Human Resources**  
925.956.7431

To field requests for comments from the press:  
**Senior Vice President of Organizational Advancement**  
925.956.7353

Please fill in the contact information for the following:

**Supervisor**

Name: _____________________________________________

Phone Number: ___________________________________

Email: ___________________________________________

**Human Resources Representative**

Name: ___________________________________________

Phone Number: ___________________________________

Email: ___________________________________________

**Emergency Call-in Number:** ___________________________
Our Locations

LIFE PLAN AND MULTI-LEVEL COMMUNITIES
1. SPRING LAKE VILLAGE
2. FRIENDS HOUSE (UNDER MANAGEMENT)
3. ST. PAUL'S TOWERS
4. SAN FRANCISCO TOWERS
5. WEBSTER HOUSE
6. LOS GATOS MEADOWS
7. CANTERBURY WOODS

AFFORDABLE COMMUNITIES
1. JENNINGS COURT
2. OAK CENTER TOWERS
3. PRESIDIO GATE APARTMENTS
4. BETHANY CENTER
5. LYTON GARDENS
6. SHIRES MEMORIAL CENTER

MARKET DAY LOCATIONS
COUNTIES WHERE HOME MATCH IS OFFERED
COUNTIES WHERE SENIOR RESOURCE DIRECTORS AND SOCIAL CALL ARE OFFERED
SUPPORT SERVICES OFFICE

covia.org
925.956.7400
2185 N. California Blvd., Suite 215
Walnut Creek, California 94596
SECTION 999.5(d)(5)(F)

(F) For each health facility or facility that provides similar health care services that is the subject of the agreement or transaction, all existing documents setting forth any guarantees made by any entity that would be taking over operation or control of the health facility or facility that provides similar health care services relating to employee job security and retraining, or the continuation of current staffing levels and policies, employee wages, salaries, benefits, working conditions and employment protections.

See Section (5)(E) for current SNF employment policies and procedures, employee benefits, and other employment documents.
SECTION 999.5(d)(5)(G)

(G) If the agreement or transaction will have any impact on reproductive health care services provided by any facility that is the subject of the agreement or transaction, or any impact on the availability or accessibility of reproductive health care services, a description of all reproductive health care services provided in the last five years by each health facility or facility that provides similar health care services that is the subject of the agreement or transaction. This description shall include the types and levels of reproductive services including, but not limited to, information about the number of pregnancy terminations and tubal ligations and a description of how this information was compiled.

(Not Applicable)
SECTION 999.5(d)(5)(H)

(H)  A statement describing all effects that the proposed agreement or transaction may have on health care services provided by each facility proposed to be transferred including, but not limited to, any changes in the types or levels of medical services that may be provided at the health facility or facility that provides similar health care services and a statement of how the proposed transaction may affect the availability and accessibility of health care in the affected communities.

Covia Communities anticipates that the proposed Affiliation will not adversely affect the delivery, availability, or accessibility of health care services to the communities served by any of its SNFs. However, Covia Communities recognizes that demand for its skilled nursing services continues to decline as this type of medical care is increasingly provided in the residents’ homes. Declining financial viability of skilled nursing facilities resulting from higher operating costs and deteriorating sources of revenue, also provides incentives to partner with other skilled nursing facilities with available capacity to maximize efficient operation. Covia expects to continue to convert its underutilized skilled nursing capacity to other services with higher demand including assisted living and memory care. Covia also expects to pursue opportunities to address its residents’ health care needs through the formation of community partnerships to better utilize all health resources.
SECTION 999.5(d)(5)(I)

(I) A description and copy of all current contracts between the applicant and the city in which the applicant is located and current contracts between the applicant and the county in which the applicant is located for each health facility or facility that provides similar health care services that are the subject of the agreement or transaction.

Covia does not have any health services contracts with any city or county in which its SNFs are located.
(J) A description of compliance with the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, as amended by the California Hospital Facilities Seismic Safety Act (Health & Safety Code §129675-130070), for each health facility or facility that provides similar health care that is the subject of the agreement or transaction, including the certified Structural Performance Category of every building affected by the agreement or transaction and a copy of every final determination letter received from the Office of Statewide Health Planning and Development for every building affected by the agreement or transaction.

Not applicable. The health facilities in question are SNFs, not general acute care hospitals, and are not the subject of the above-referenced laws.
SECTION 999.5(d)(5)(K)

(K) A description of each measure proposed by the applicant to mitigate or eliminate any potential adverse effect on the availability or accessibility of health care services to the affected community that may result from the agreement or transaction.

Please see Section 999.5.(d)(5)(H) above. The proposed Affiliation should yield net benefits to the community due to the performance enhancements described in Section 999.5.(d)(1)(C).
SECTION 999.5(d)(6)

POSSIBLE EFFECT ON COMPETITION

(d)(6)(A)

(A) For any agreement or transaction for which a Premerger Notification and Report Form is required to be submitted to the Federal Trade Commission under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, a brief analysis of the possible effect of any proposed merger or acquisition of each health care facility or facility that provides similar health care services that is the subject of the agreement or transaction on competition and market share in any relevant product or geographic market.

Covia and Front Porch are still determining whether a Premerger Notification and Report Form is required to be submitted with respect to the Affiliation. Covia and Front Porch have not reached any conclusions about the effect of the proposed Affiliation on competition or market shares but do not believe the proposed Affiliation will have a substantial negative impact on either, and agree to supplement this response to the extent necessary.
(B) The applicant shall provide the Premerger Notification and Report Form and any attachments thereto as filed with the Federal Trade Commission pursuant to the Hart-Scott-Rodino Antitrust Improvement Act of 1976 and 16 C.F.R. Parts 801-803. The procedure for designating information as confidential set forth in section 999.5(c)(3) of these regulations shall apply to any information submitted under this subsection.

Please see Section 999.5.(d)(6)(A) above. Covia will inform the Attorney General’s Office promptly following the determination as to whether a Premerger Notification and Report Form is required and will provide the Attorney General’s Office with a copy of any filing and any attachments thereto as filed with the Federal Trade Commission.
SECTION 999.5(d)(7)

OTHER PUBLIC INTEREST FACTORS

The written notice of any proposed agreement or transaction set forth in section 999.5(a)(1) of these regulations shall include a section entitled “Other Public Interest Factors” that contains any other information the applicant believes the Attorney General should consider in deciding whether the proposed agreement or transaction is in the public interest.

Consolidation and affiliation is a trend occurring in the senior care field, both in the for-profit and non-profit sectors. To have sufficient financial strength and operational efficiency to remain competitive in the marketplace, it is important for the Covia Entities to be able to affiliate with similarly-positioned providers of continuing care, affordable housing and other not-for-profit services for seniors. The compatibility of the Covia Entities and Front Porch, who for decades have served seniors throughout California, is exceptional. Working together will enhance their abilities to serve seniors for years to come.
SECTION 999.5(d)(8)

(8) The written notice of any proposed agreement or transaction set forth in section 999.5(a)(1) shall include a resolution of the board of directors of the applicant authorizing the filing of the written notice and a statement by the chair of the board that the contents of the written notice are true, accurate and complete.

Copies of the resolutions of the Boards of Directors of Covia Group and Covia Communities, as well as certification statements signed by the Board Chairs of Covia Group and Covia Communities are attached to this Section.
COVIA COMMUNITIES

CERTIFICATION

The undersigned Chair of the Board of Covia Communities certifies that the content of the written notice to the California Attorney General regarding the proposed affiliation between and among Covia Group, Covia Communities, Covia Affordable Communities and Covia Foundation (collectively the "Covia Entities"), and Front Porch Communities and Services ("Front Porch") is true, accurate and complete. Front Porch has advised Covia Entities that the information provided by Front Porch and its affiliates is true, accurate, and complete.

Vincent Forte, Board Chair

__________________________
Date

June 9, 2020
COVIA GROUP

CERTIFICATION

The undersigned Chair of the Board of Covia Group certifies that the content of the written notice to the California Attorney General regarding the proposed affiliation between and among Covia Group, Covia Communities, Covia Affordable Communities and Covia Foundation (collectively the "Covia Entities"), and Front Porch Communities and Services ("Front Porch") is true, accurate and complete. Front Porch has advised Covia Entities that the information provided by Front Porch and its affiliates is true, accurate, and complete.

Sanford Skaggs, Board Chair

June 9, 2020

Date
WHEREAS, Covia Group, a California nonprofit public benefit corporation ("Covia"), and its supported organization Covia Communities ("Communities") have sought for many years to expand the scope and extent of their services to seniors by establishing relationships with other nonprofit senior living organizations;

WHEREAS, Covia and Communities have identified and thoroughly evaluated an opportunity to meet their objectives by affiliating with Front Porch Communities and Services ("Front Porch"), the terms of which affiliation (the "Affiliation") are set forth in detail in an Affiliation Agreement, attached as Attachment A, and by which Front Porch will become the sole corporate member of Covia, Communities, and Covia Affordable Communities ("CAC");

WHEREAS, Covia recognizes that, under the May 1, 2005 Sponsorship Agreement between Communities (formerly known as "Episcopal Homes Foundation") and the Episcopal Church in the Diocese of California, the Diocesan Council of the Diocese and the Standing Committee of the Diocese, (the Sponsorship Agreement") the Affiliation constitutes a new business structure in which Communities and CAC will be controlled by and become subsidiaries of Front Porch, rather than Covia, as their new parent organization;

WHEREAS, implementation of the provision in the Affiliation Agreement that no board member shall be required to be a member or representative of any Church, religion or religious organization, must be approved by a two-thirds vote of the Front Porch and Covia Boards, and a three-fourths vote of the Communities Board, which approvals are expected to be obtained;

WHEREAS, Covia, as the sole member of Communities and CAC, is required to approve the actions of Communities and CAC required by the Affiliation Agreement, and

WHEREAS, Covia adopts and accepts the proposed terms and conditions of the Affiliation Agreement.

NOW THEREFORE, IT IS:

RESOLVED, that Covia approves the Affiliation Agreement, attached as Attachment A, between Front Porch, Covia, Communities, and CAC, and all the changes to Communities' Articles and Bylaws described in the Affiliation Agreement, all to become effective on the Closing Date;

RESOLVED FURTHER, that Covia, as sole member of Communities and CAC, approves all the actions of Communities and CAC required by the Affiliation Agreement, including all the changes to their Articles and Bylaws described in the Affiliation Agreement;
RESOLVED FURTHER, that Covia and Front Porch will cooperate to obtain all the regulatory approvals and meet the other conditions of Closing as described in the Affiliation Agreement;

RESOLVED FURTHER, that the officers of Covia are authorized to execute any documents or instruments that such officers deem to be necessary or appropriate to effectuate the foregoing resolutions; and

RESOLVED FURTHER, that any actions by such officers authorized by the foregoing resolutions, but taken prior to adoption of the foregoing resolutions, are hereby separately ratified, approved, and adopted as the acts and deeds of Covia.
Attachment A

Affiliation Agreement
CERTIFICATE OF SECRETARY

The undersigned hereby certifies that on June 1, 2020, at a meeting duly and regularly called, noticed and convened, there were present six (6) Members of the Covia Group Board of Directors, constituting a quorum, and that the foregoing Resolutions were duly adopted at said meeting by the affirmative vote of five (5) Members, opposed by no (0) Members, and abstention by one (1) Member, and that said Resolutions have been duly recorded in the minute book and are in full force and effect.

DATED: June 1, 2020

Mary McMullin

Secretary