

Merger Resolution
and
Formation of Merger Committee of the Boards

I. Merger Resolution

This Resolution to Merge is entered into by and among the Board Members of:

_____ San Luis Valley Behavioral Health Group, Inc.

_____ West Central, Inc. collectively the “Parties” and each, a “Party.”

WHEREAS, the Parties unanimously agreed to engage in Due Diligence in consideration of a potential merger of the Parties;

WHEREAS, the Parties have formed a Due Diligence Committee and retained a Due Diligence Agent;

WHEREAS, the Due Diligence Agent, BiggsKofford, completed “Phase 1 Due Diligence” review and delivered its report to the Due Diligence Committee on April 15, 2022; and

WHEREAS, the Due Diligence Committee accepted the “Phase 1 Due Diligence” report and the Parties unanimously agreed to continue in “Phase 2 Due Diligence” review including involvement and input of the full Boards and executive leadership of both Parties; and

WHEREAS, a joint meeting of the Boards of the Parties occurred in Salida on June 27-28, 2022 where BiggsKofford delivered a detailed “Phase 2 Due Diligence” report to the Boards recommending the merger proceed and Arnold Salazar provided analysis regarding the opportunities a larger merged organization will offer;

NOW THEREFORE, the Board of:

_____ San Luis Valley Behavioral Health Group, Inc.

_____ West Central, Inc.

agrees to a resolution to merge the two entities and appoint members of its Board to serve on the Merger Committee, who will be charged with developing and delivering a completed Plan of Merger for approval by the Boards and effecting the Merger. The Boards agree this process shall proceed unless a material change in circumstance, such as a bankruptcy or other significant adverse action, pending a final vote to accept the Plan of Merger (the effective date of Merger).

This resolution shall take effect immediately upon adoption by the Boards of the Parties.

PASSED and ADOPTED this _____ day of _____, 2022 by a vote of _____ (for/yay) to _____ (no/nay).

Organization Name: _____

Board Chair Name: _____

Board Chair Signature: _____

II. Formation of Merger Committee

a. Committee Purpose

Upon approval of the Merger Resolution, the Boards of the respective Parties agree to appoint Board Members to the Merger Committee. The Boards agree to form and delegate significant powers to the Merger Committee, and to contribute equal funds to complete this work. The Merger Committee will be charged with making decisions in the best interests of the newly merged organization.

b. Committee Deadline

The Merger Committee will submit the completed Plan of Merger to the Boards of each organization for final adoption by March 31, 2023.

c. Members and Voting

The Merger Committee will have 6 voting members total, each with 1 vote per member, and will focus on consensus building to make decisions. This Committee will be comprised of the following:

- 2 voting Board members appointed by each Parties' Board;
 - o Member 1: _____
 - o Member 2: _____
- 1 alternate Board member only to vote in the absence of an above voting Board member, appointed by each Board;
 - o Alternate: _____
- CEOs or their designee (each CEO having 1 vote)

Additional non-voting members of the Merger Committee include Joint In-House Counsel, Merger Advisor, and other Consultants as needed.

d. Merger Committee Delegated Powers

The Boards agree to delegate the following powers to the Merger Committee:

- Engage in Phase 3 Due Diligence with the currently retained consulting firm BiggsKofford;
- Complete the Plan of Merger document and timeline;
- Retain and engage additional consultants only as needed, including but not limited to a media/public relations firm, legal firm(s), or other consultant for assistance with merger decisions and activities;
- Approve business filings and notifications with the Secretary of State, Internal Revenue Service, State and Local agencies, Medicaid, contracting partners, and other entities as needed;
- Determine the type of merger, entity matters, public announcements, and other actions and approvals as necessary to effect the merger;

- Submit the completed Plan of Merger to each Board for final vote and adoption, causing the merger to become effective;
- Approve Bylaws for the newly merged organization and proceeding with post-merger integration; and
- Any additional actions required to effect the merger of the two organizations that are necessary to be under the Board's purview for effecting the merger.

This resolution shall take effect immediately upon adoption by the Boards of the Parties.

PASSED and ADOPTED this ____ day of _____, 2022 by a vote of ____ (for/yay) to ____ (no/nay).

Organization Name: _____

Board Chair Name: _____

Board Chair Signature: _____