

Jan 27 2021

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

January 27, 2021

**Via Electronic Filing To:**

shpda.online@shpda.alabama.gov

Ms. Emily Marsal, Executive Director  
State Health Planning and Development Agency  
RSA Union Building  
100 North Union Street, Suite 870  
Montgomery, AL 36104

**Re: Response to Incomplete Notice for Change of Ownership  
CO2021-013  
Hometown Hospice (# 025-P2427) to Kare-In-Home Hospice of Mobile**

Dear Ms. Marsal:

In response to your January 11, 2021 letter regarding additional information needed by SHPDA for the above-referenced Change of Ownership, please see the following.

1) The cover letter submitted with the Notice of Change of Ownership/Control form does not provide the current 2021 Certificate of Need thresholds which must be referenced.

Response: This transaction will not exceed any of the expenditure thresholds of major medical equipment of \$3,079,347.00; new annual operating cost of \$1,231,738.00; or any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization of \$6,158,695.00. There are no new equipment costs or capital expenditures. Kare-In-Home anticipates a yearly operating cost of \$1,100,000.00 which is below the expenditure threshold for new annual operating costs, set forth in Section 22-21-263(a)(2) of the Alabama Code as updated as cited above.

2) An update regarding the discrepancies between the location reported on the CHOW form and the two separate addresses licensed and certified by ADPH.

Response: Hometown Hospice, Inc.'s office located at 1447 College Avenue, Jackson, AL in Clarke County was destroyed and was relocated to 23 Shell Street, Saraland, AL in Mobile County. A copy of the updated ADPH facilities directory demonstrating the location in Mobile County is attached. Additionally, the provider has updated its location with Medicare and verified its submission. A copy of the PECOS record showing this change is awaiting processing is also attached.

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Ms. Marsal  
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3) All filings are public records and no filing or part of a filing may be treated as confidential.

Response: The parties acknowledge this requirement.

Please contact me if you have any questions or need any additional information.

Sincerely,  
BUTLER SNOW LLP

  
Allison C. Simpson

Encl.  
cc: Chad Blalack

**Provider/Supplier Type**  
All Provider/Supplier Types

**Enrollment Status**  
All Statuses

**State**  
All States

**Medicare ID**

**FILTER** **RESET**

**Name:** HOMETOWN HOSPICE INC      **TIN:** 36-4525527

**Records 1 - 2 of 2**

**Please Note:** The enrollment records below are displayed in alphabetical order by State and Type/Specialty.

**Existing Enrollments**

**Contractor:** PALMETTO GBA  
**State:** ALABAMA  
**Type/Specialty:** HOSPICE

**Enrollment Type:** 855A  
**Medicare ID:** 011598 [View Medicare ID Report](#)  
**Status:** APPROVED [View Approved Enrollment Record](#)

Type of Update	Status	Tracking ID	Action
Change of Information	AWAITING PROCESSING <a href="#">View Awaiting Processing Application</a>	T010720210002890	<a href="#">VIEW</a>

**Contractor:** PALMETTO GBA [VIEW](#)  
**State:** ALABAMA  
**Type/Specialty:** HOSPICE [MORE OPTIONS](#)

**Enrollment Type:** 855A  
**Medicare ID:** [View Medicare ID Report](#)  
**Status:** DEACTIVATED [View Deactivated Enrollment Record](#)

**Records 1 - 2 of 2**

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CENTERS FOR MEDICARE & MEDICAID SERVICES, 7500 SECURITY BOULEVARD, BALTIMORE, MD 21244

## Hospices

## Marshall County

Shepherd's Cove Hospice  
 408 Martling Rd.  
 Albertville, AL 35951 (256) 891-7724  
 In-Home Hospice  
 Licensee Type: Non-Profit Corporation  
 Administrator: Rhonda S. Osborne  
 Fac ID: E4801 License: Regular  
 Medicare: 01-1513

Shepherd's Cove IPU  
 408 Martling Rd  
 Albertville, AL 35951 (256) 891-7724  
 10 bed In-Patient Hospice  
 Licensee Type: Non-Profit Corporation  
 Administrator: Rhonda Osborne  
 Fac ID: E4804 License: Regular  
 Medicare: N/A

## Mobile County

Alabama Hospice Care of Mobile  
 6001 Airport Blvd, Suite A  
 Mobile, AL 36608-3142 (251) 345-1023  
 In-Home Hospice  
 Licensee Type: Corporation  
 Administrator: Debra Whittle  
 Fac ID: E4905 License: Regular  
 Medicare: 01-1558

Amedisys Hospice of Mobile  
 1201 Montlimar Drive, Suite 100  
 Mobile, AL 36609 (251) 343-0989  
 In-Home Hospice  
 Licensee Type: Limited Liability Company  
 Administrator: Anna Moore  
 Fac ID: E4907 License: Regular  
 Medicare: 01-1567

## Mobile County

Comfort Care Coastal Hospice - Mobile  
 709 Azalea Road, Suite A1  
 Mobile, AL 36609 (251) 304-3135  
 In-Home Hospice  
 Licensee Type: Limited Liability Company  
 Administrator: Jandy Lundy  
 Fac ID: E4903 License: Regular  
 Medicare: N/A

Covenant Hospice Inpatient Care Center at Providence Hospital  
 6801 Airport Blvd., Main Tower, 11th floor North  
 Mobile, AL 36608 (251) 266-1152  
 15 bed In-Patient Hospice  
 Licensee Type: Corporation  
 Administrator: Donna Charpia  
 Fac ID: E4921 License: Regular  
 Medicare: N/A

Covenant Hospice, Inc. Mobile  
 3929 Airport Blvd, Building 3, Suite 307  
 Mobile, AL 36602 (251) 478-8671  
 In-Home Hospice  
 Licensee Type: Corporation  
 Administrator: Donna Charpia  
 Fac ID: E4910 License: Regular  
 Medicare: N/A

Encompass Health Hospice Mobile  
 6333 Cottage Hill Road  
 Mobile, AL 36609-1776 (256) 203-8508  
 In-Home Hospice  
 Licensee Type: Corporation  
 Administrator: Melanie Purvis  
 Fac ID: E4918 License: Regular  
 Medicare: N/A

Hometown Hospice, Inc.  
 23 Shell Street  
 Saraland, AL 36571 (251) 246-2727  
 In-Home Hospice  
 Licensee Type: Corporation  
 Administrator: Tracey Carpenter  
 Fac ID: E1305 License: Regular  
 Medicare: 01-1598

December 30, 2020

**Via Electronic Filing To:**

shpda.online@shpda.alabama.gov

Ms. Emily Marsal, Executive Director  
State Health Planning and Development Agency  
RSA Union Building  
100 North Union Street, Suite 870  
Montgomery, AL 36104

**Re: Notice of Change of Ownership  
Hometown Hospice (# 025-P2427) to Kare-In-Home Hospice of Mobile**

Dear Ms. Marsal:

We represent Kare-In-Home Hospice of Mobile, LLC (“Kare-In-Home”) in the above-referenced proposed change of ownership of Hometown Hospice, Inc. (SHPDA ID # 025-P2427). Please accept this letter as an attachment to the Notice of Change of Ownership form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (“Rules”) for the transaction described herein. The attached Notice of Intent to Change Ownership involves the change of ownership of Hometown Hospice, Inc. (“Hometown”). Hometown has authority to operate in-home hospice services in Mobile, Clarke, Washington and Choctaw Counties. The following addresses the State Health Planning and Development Agency’s requirements for a change of ownership:

**I. Financial Scope of Project**

The financial scope of the project encompasses the fair market value payment that Kare-In-Home will make to Hometown as consideration for the sale of certain assets and contractual rights used in or related to the operation or conduct of Hometown. This transaction will not exceed any of the expenditure thresholds. There are no new equipment costs or capital expenditures. Kare-In-Home anticipates a yearly operating cost of \$1,100,000.00 which is below the expenditure threshold for new annual operating costs, set forth in Section 22-21-263(a)(2) of the Alabama Code as updated. Please see the attached Asset Purchase Agreement (“Agreement”), which is contingent upon approval from governmental authorities, for the terms of the transaction. This Agreement is being submitted confidentially with this letter.

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Ridgeland, MS 39158-6010

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BUTLER SNOW LLP

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## **II. Services to be Offered**

The contemplated transaction will not result in any new or additional services being provided.

## **III. Beds**

The contemplated transaction will not result in the addition of new beds nor will it result in the conversion of any beds.

## **IV. Stocks and Assets**

The contemplated transaction will not involve the acquisition of stock but will involve the purchase of certain assets used in or related to the operation or conduct of Hometown's business of in-home hospice services. Please see the Agreement attached hereto.

## **V. Conclusion**

Based upon the above description of the proposed transaction and a showing that there will be no change in the number of health services, conversion of beds, or increase or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON is not required for the transaction.

In accordance with the Rules, a check in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) made payable to SHPDA is being sent overnight via Federal Express (Tracking No. 7725 0503 2640 ) to SHPDA, 100 North Union Street, Suite 870, Montgomery, AL 36104.

Please contact me if you have any questions or need any additional information.

Sincerely,  
BUTLER SNOW LLP



Allison C. Simpson

Encl.  
cc: Chad Blalack

## NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))

Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))

Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

### Part I: Facility Information

SHPDA ID Number: 025-P2427

(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: Hometown Hospice, Inc.  
(ADPH Licensure Name)

Physical Address: 23 Shell Street

Saraland, Alabama 36570

County of Location: Mobile County

Number of Beds/ESRD Stations: Not applicable.

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Mobile, Clarke, Washington & Choctaw

**Part II: Current Authority** (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: Hometown Hospice, Inc.

Mailing Address: 23 Shell Street  
Saraland, Alabama 36570

Operator (Entity Name): Hometown Hospice, Inc.

### Part III: Acquiring Entity Information

Name of Entity: Kare-In-Home Hospice of Mobile, LLC  
Mailing Address: 10281 Corporate Drive  
Gulfport, Mississippi 39503

Operator (Entity Name): Kare-in-Home Hospice of Mobile, LLC

Proposed Date of Transaction is on or after: February 1, 2021 (or within 5 days of CHOW approvals)

**Part IV: Terms of Purchase**

Monetary Value of Purchase: Please see attached letter.

Type of Beds: Not applicable.

Number of Beds/ESRD Stations: Not applicable.

**Financial Scope:** to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 1,100,000.00

Projected Total Cost: \$ 1,100,000.00

**On an Attached Sheet Please Address the Following:**

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service). Please see attached
- 2.) Whether the proposal will include the addition of any new beds. Please see attached
- 3.) Whether the proposal will involve the conversion of beds. Please see attached
- 4.) Whether the assets and stock (if any) will be acquired. Please see attached

**Part V: Certification of Information**

**Current Authority Signature(s):**

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Hometown Hospice Inc,  
By Tracey Carpenter, Its Shareholder *Tracey Carpenter*

Operator(s): Hometown Hospice, Inc.  
By Tracey Carpenter, Its Shareholder *Tracey Carpenter*

Title/Date: Shareholder Date: 12/10/20

SWORN to and subscribed before me, this 11<sup>th</sup> day of December 2020.

(Seal) *Shelly Perrone*  
Notary Public  
My Commission Expires: 11/18/2023





The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Hometown Hospice, Inc.  
By Angie Thornton, Its Shareholder

*Angie Thornton*  
*Angie Thornton*

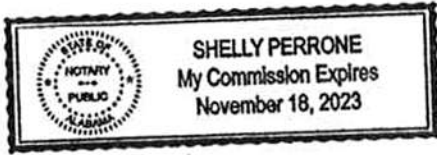
Operator(s): Hometown Hospice, Inc.  
By Angie Thornton, Its Shareholder

Title/Date: Shareholder

Date: 12-17-20

SWORN to and subscribed before me, this 17 day of December, 2020

(Seal)



*Shelly Perrone*  
Notary Public  
My Commission Expires: 11/18/2023

**Acquiring Authority Signature(s):**

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): Kare-In-Home Hospice of Mobile, LLC  
By Chad W. Blalack, Its Manager \_\_\_\_\_

Operator(s): Kare-In-Home Hospice of Mobile, LLC  
By Chad W. Blalack, Its Manager \_\_\_\_\_

Title/Date: Manager Date: \_\_\_\_\_

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): Hometown Hospice, Inc.  
By Angie Thornton, Its Shareholder \_\_\_\_\_

Operator(s): Hometown Hospice, Inc.  
By Angie Thornton, Its Shareholder \_\_\_\_\_

Title/Date: Shareholder Date: \_\_\_\_\_

SWORN to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

**Acquiring Authority Signature(s):**

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): Kare-In-Home Health of Mobile, LLC  
By Chad W. Blalack, Its Manager \_\_\_\_\_

Operator(s): Kare-In-Home Health of Mobile, LLC  
By Chad W. Blalack, Its Manager \_\_\_\_\_

Title/Date: Manager Date: 12-16-2020

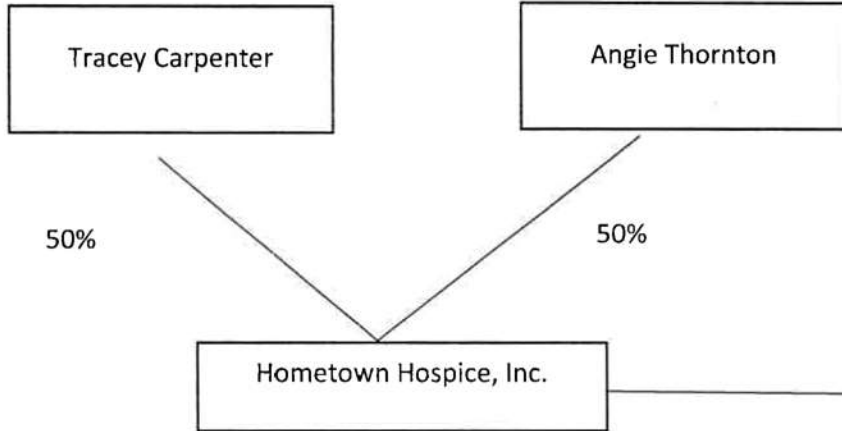
SWORN to and subscribed before me, this 16th day of December 2020.



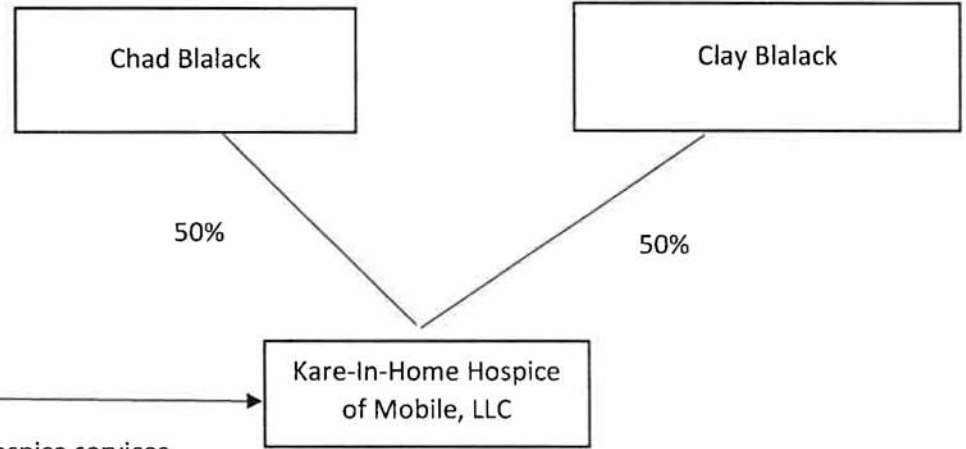
\_\_\_\_\_  
Christine L. Crothers  
Notary Public  
My Commission Expires: May 30, 2021

Author: Alva M. Lambert  
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975  
History: New Rule

**PRIOR TO TRANSACTION**



**AFTER TRANSACTION**



All assets related to hospice services,  
operations and licensing authorities

John H. Merrill  
Secretary of State

P.O. Box 5616  
Montgomery, AL 36103-5616

# STATE OF ALABAMA

**I, John H. Merrill, Secretary of State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that**

the entity records on file in this office disclose that Kare-In-Home Hospice of Mobile, LLC a Mississippi entity, qualified in the State of Alabama on December 23, 2020. The Alabama Entity Identification number for this entity is 825-837. I further certify that the records do not disclose that said qualification has been revoked, cancelled or terminated.



**In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the city of Montgomery, on this day.**

12/28/2020

Date

20201228000010322

**John H. Merrill**

**Secretary of State**

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into to be effective as of the Effective Date, hereinafter defined, by and between KARE-IN-HOME HOSPICE OF MOBILE, LLC, a Mississippi limited liability company ("Buyer"), HOMETOWN HOSPICE, INC., an Alabama corporation (the "Company"), and Angie Thornton and Tracey Carpenter, the shareholders of Company (each a "Shareholder" and collectively referred to herein as "Shareholders") (the "Company" and "Shareholders" are each referred to herein individually as a "Seller" and collectively referred to herein as the "Sellers").

### RECITALS

WHEREAS, Sellers own and operate a Medicare certified hospice agency (the "Hospice") engaged in the business of providing hospice services and licensed to provide hospice services in the State of Alabama in the counties of Mobile, Clarke, Washington and Choctaw (the "Service Area");

WHEREAS, Sellers desire to sell to Buyer and Buyer desires to purchase from Sellers certain assets of the Sellers used or usable in conducting and operating the business of the Hospice subject to the conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the parties hereto agree as follows:

### ARTICLE I

#### SALE AND TRANSFER OF ASSETS; EXCLUDED ASSETS AND LIABILITIES

**1.1 Purchased Assets.** Subject to the terms, conditions, representations, and warranties of this Agreement, at the Closing, Sellers will sell, transfer, convey, and assign the Purchased Assets, as defined herein, Buyer shall purchase from Sellers all of Sellers' rights, titles, and interests in and to the Purchased Assets, and such sale and transfer shall be effective within five (5) days of the approval of the Change of Ownership by the appropriate state agencies, or such other time and place as the parties may mutually agree (the "Effective Date"). As used in this Agreement, the term "Purchased Assets" shall mean those assets, properties, rights, and interests of Sellers (other than the Excluded Assets described in Section 1.2) used in or held for use by Sellers in the conduct and operation of the Hospice in the Service Area and in its related services of whatever kind or nature, real or personal, or tangible or intangible and wherever located, as such assets may exist as of the Effective Date including, but not limited to, the Purchased Assets listed on the Schedules to this Agreement. All Purchased Assets are being conveyed free and clear of all liens and encumbrances, except as expressly assumed herein. The Purchased Assets shall include, without limitations, all of Sellers' rights, titles, and interests in and to the following (other than the Excluded Assets):

(a) **Certificates of Need/Licenses and Provider Numbers to Operate the Hospice.** All Certificates of Need, licenses, certifications, provider numbers, and other authority issued to the Sellers and owned by Sellers necessary to operate the business of the Hospice in the

Service Area listed on Schedule 1.1(a). This includes, without limitation, (1) License Number E1305 issued by the Alabama State Department of Health and all other licenses and certifications issued by the Alabama State Department of Health certifying the Hospice as a certified Medicare hospice agency and providing the Hospice the authority to provide hospice services in the Service Area; (2) Hospice's Medicare Provider Agreement and the provider number associated therewith number 011598 (3) Hospice's Medicaid Provider Agreement and the provider number associated therewith number PIC1598E and (4) all other licenses, certifications, and provider numbers used in the operation of Hospice. All said licenses and provider numbers will be free and clear of any and all liens and encumbrances including, but not limited to, any liens for the repayment of monies owed to Medicare and Medicaid unless expressly assumed herein, and any liens for the repayment of any state and federal taxes.

(b) Furniture, Fixtures, and Equipment; Books and Records. All the furniture, fixtures, and equipment, medical or otherwise, and all other tangible personal property owned by Company of every kind and nature which is used or usable in connection with the operations of the business of the Hospice located at Hospice's current location at 23 Shell Street, Saraland, AL 36570, in its current condition, free and clear of all liens and encumbrances, including without limitations, all computer systems and equipment, including any business operations, accounting, or billing data stored thereon and any operational software, with attendant licenses. Buyer shall also acquire outright, or acquire unfettered access to, such books and records of the Hospice as may be required to permit continued, uninterrupted operation of the business of the Hospice, services to existing patients, maintenance of provider relationships, and collection of amounts owed, among other purposes. The furniture, fixtures, and equipment to be transferred hereunder shall include the furniture, fixtures, and equipment listed on Schedule 1.1(b).

(c) Contractual Rights. All transferable rights under non-executory contracts, agreements, instruments, understandings, commitments, and other arrangements, whether oral or written, including without limitation, any and all warranties (express or implied) on product agreements of any manufacturer, supplier, vendor, or other person or entity relating to any Purchased Assets, to the extent that such warranty rights can be so legally conveyed by the Hospice.

(d) Inventories and Supplies. All inventories and supplies of every nature of the Hospice (whether or not allocated to contracts in process and notwithstanding how classified in the financial records of the Hospice), including without limitation medical supplies, medical equipment, linens, items purchased for resale or lease by the Hospice and items which have been ordered and purchased by the Hospice and are in transit to the Hospice on the Effective Date.

(e) Claims Against Suppliers. All rights against suppliers of inventory, supplies, or other goods or services of the Company relating to the Hospice, including without limitation any express or implied warranties and any entitlement to volume or other discounts, rebates, or refunds;

(f) Causes of Action. All claims, refunds, causes of action, choses in action, rights of recovery, and rights of set-off or offset of every kind and nature relating to the Purchased Assets arising on or after the Effective Date;

(g) Intangible Personal Property. All goodwill, going-concern value, and all other intangible property, other than any Excluded Assets;

(h) Promotional Materials. All marketing plans, marketing manuals, sales materials, promotional materials, catalogues and advertising, and marketing literature and materials;

(i) Business Records. Those business records and files of the Hospice reasonably necessary for the Buyer to continue the operations of the Hospice, including without limitation, patient lists, patient medical information, medical records and files, doctors lists and files, lists and other identifications of former, existing, and potential suppliers, doctors or third-party service providers, mailing lists, collection information, supplier records, cost and pricing information, billing records, employment and personnel records, and other records (including, without limitation, those maintained in computer tapes, disks, or other computer retrievable formats), in each case whether maintained by the Hospice or by others for the Hospice, and the Hospice's telephone and facsimile numbers (other than Shareholders' personnel cell phone numbers), and post office boxes.

(j) Prepaid Expenses. All prepaid expenses of the Hospice.

(k) Control over Bank Accounts of Hospice. In order that Buyer will be able to receive all payments for services provided to beneficiaries after the Effective Date until the change of ownership is formally processed by both Medicare and Medicaid, Hospice conveys to Buyer exclusive control over the bank account(s) into which all Medicare and Medicaid payments made to the Hospice are deposited, which shall include the bank accounts on Schedule 1.1(k). Sellers further agree that should Medicare, Medicaid, or any other payor continue to deposit payments for services provided by Buyer after the Effective Date into the bank accounts of Sellers not included on Schedule 1.1(k), Sellers agree to fully comply with Section 1.3 hereof to ensure the same are properly delivered to Buyer.

(l) Insurance Policies. All rights under any insurance policies of Hospice covering the Purchased Assets, and Sellers also agree to fully comply with Section 3.15 hereof regarding maintaining sufficient coverage for actions against Company for its operation of Hospice.

(m) Computer Software and Billing Systems. All computer software and billing systems of Hospice, including any passwords associated with the same, utilized by the Company to bill and submit claims for the services provided by Hospice.

(n) Authority to Continue to Submit Claims and Bill for Services. Hospice conveys to Buyer the exclusive authority to continue to submit claims and bill for services provided after the Effective Date by Buyer in the name of Hospice until such time as the change of ownership of the Hospice is recognized by Medicare, Medicaid, and any and all other necessary government or private agencies, provided that in all cases Buyer shall continue to diligently pursue such recognition of change of ownership. This authority shall include, but is not necessarily limited to, the authority to continue to use Hospice's corporate name, Medicare provider number, Medicaid provider number, such other provider numbers utilized in the

operation of the Hospice, Tax Identification Number, National Provider Identifier ("NPI"), and any other information specific to Hospice necessary to continue to submit claims and bill for services provided by Buyer after the Effective Date. Buyer agrees that Sellers shall not bear any responsibility and/or liability for such claims, submissions of claims, services, or bills for services associated with any services provided after the Effective Date.

(o) Rights to Pursue Appeals for Overpayments. All rights to pursue appeals against Medicare, Medicaid, or any third-party payor relating to overpayments made to Hospice arising from services provided by Hospice prior to the Effective Date, and all rights to all amounts recovered from said appeals, if any, shall be the sole property of Buyer. All costs of pursuing such appeals shall be borne by the Buyer.

(p) Other Assets. Any other assets of the Company used in its operation of the Hospice related to the Purchased Assets being acquired, other than the Excluded Assets, and which are of a nature not customarily reflected in the books and records of a business, including without limitations, assets which have been written off for accounting purposes but which are still used by or are of value to the Sellers.

1.2 Excluded Assets The following Assets of the Company shall remain the property of the Seller and shall not transfer to Buyer pursuant to this Agreement:

- (a) All assets of Sellers not used or usable in connection with Hospice;
- (b) The Shareholders' personal property as mutually agreed to by the parties to this Agreement;
- (c) The trade name "Hometown Hospice";
- (d) All cash on hand of Company as of the Effective Date;
- (e) All real property owned by the Sellers; and
- (f) The Company's corporate minute books, corporate seal, charter documents, and stock records.

1.3 Sellers' Accounts Receivable. The parties acknowledge that the Seller's accounts receivable as of the Effective Date is a Purchased Asset.

1.4 Assumed Liabilities. Except as stated on Schedule 1.4, it is expressly agreed and understood that Buyer is not assuming any liabilities whatsoever of Sellers by virtue of this Agreement and that Buyer does not and shall not assume, pay, perform, defend, or discharge any, and the Sellers shall retain, pay, perform, defend, and discharge all liabilities and obligations of the Sellers of any and every kind whatsoever, whether disclosed, undisclosed, direct, indirect, absolute, contingent, secured, unsecured, accrued, or otherwise, known or unknown. Specifically, without limiting the above, Buyer is not assuming any liabilities for any recoupment by any federal agency or contractor related to the Paycheck Protection Plan, the CARES Act, or any other type of federal Covid-19 Stimulus program.



1.5 Vendor Contracts. The Vendor Contracts (Contracts) stated on Schedule 1.5 shall be transferred to Buyer at Closing to the extent such contracts are assumable. Buyer shall become liable for all amounts for the goods and services provided under the Contracts post-closing. Seller shall remain liable for goods and services provide under the Contracts prior to Closing.

1.6 Excluded Liabilities. Buyer shall not assume nor be responsible for any obligation or liability of Sellers, except those liabilities specifically assumed herein, and Sellers shall continue to be responsible for all of its obligations and liabilities, whether known or unknown, fixed or contingent, liquidated or unliquidated, and secured or unsecured, whether arising prior to, at, or subsequent to the Effective Date, whether or not related to the business of Sellers being acquired and whether or not disclosed to the Buyer (collectively, the "Excluded Liabilities"). Without limiting the generality of the foregoing, the Excluded Liabilities also include the following obligations or liabilities of the Sellers:

(a) Arising out of or relating to this Agreement or the transactions contemplated hereby, including without limitation, the preparation, negotiation, or execution of this Agreement and any legal, accounting, brokerage, finder, investment banking, advisory, intermediary, or other fees or expenses;

(b) Constituting indebtedness, including without limitation obligations or liabilities on account of borrowed money, letters of credit, or guarantees unless expressly assumed by Buyer herein;

(c) For federal, state, local, or foreign taxes arising out of or relating to the operation of Sellers being acquired or ownership of any real property by the Sellers or any activity or event occurring, condition, or state of facts existing at or prior to the Effective Date or arising out of, resulting from, or incident to the consummation of the transactions contemplated by this Agreement;

(d) Arising out of or relating to any actual or alleged breach or failure to perform by the Sellers, or any other person or entity for which the Sellers may be liable under any contract, commitment, arrangement, or understanding, or as a matter of law;

(e) Resulting from any violation by the Sellers, or any other person or entity for which the Sellers may be liable, of any legal duty or any applicable federal, state, local, or foreign law, statute, ordinance, rule, regulation, judgment, order, or decree, including without limitation any environmental laws, rules, or regulations and any liability with respect to Medicare, Medicaid, or any other third-party payor payments or reimbursement;

(f) To any present or former shareholders, officers, or directors of the Sellers;

(g) To any present or former employee of the Sellers (or their dependents or beneficiaries), including without limitation obligations for wages, bonuses, employee benefits, fringe benefits, severance pay, or worker's compensation, or under any federal, state, local or foreign law, statute, ordinance, rule, or regulation relating to employment or liabilities or obligations with respect to any employee benefit plans or obligations, whether written or oral;

- (h) Relating to any accounts payable, note payable, or any other payable of Sellers other than those expressly assumed by Buyer herein, if any;
- (i) Relating to any litigation pending or threatened against the Sellers;
- (j) Resulting from any claims with respect to products sold or leased or services rendered by the Sellers;
- (k) Relating to any Excluded Asset;
- (l) With respect to claims, liens, or other entitlements claimed or imposed as a result of unpaid wages, employee compensation or benefits;
- (m) Arising out of or relating in any way to any contractual obligation not assigned to Buyer in this transaction, whether written or oral, of Sellers; and
- (n) Any liabilities owed or to be owed to Medicare, Medicaid or any other third-party payor for services provided or any other amounts whatsoever, regardless of when computed or determined, for any periods prior to the Effective Date and also extending to include any hospice cap overpayments for services provided through Hospice Cap Period 12/31/2020.
- (o) any liabilities for any recoupment by any federal agency or contractor related to the Paycheck Protection Plan, the CARES Act, or any other type of federal Covid-19 Stimulus program.

## ARTICLE II CLOSING AND PURCHASE PRICE

2.1 **Closing.** The purchase and sale (the "Closing") provided for in this Agreement will take place at a place mutually agreed upon by the parties commencing on or before 5:00 p.m. local time within five (5) days of the approval of the Change of Ownership by the appropriate state agencies, or such other time and place as the parties may mutually agree.

2.2 **Buyer's Closing Obligations.** Upon the terms and subject to the conditions of this Agreement, in consideration of the aforesaid sale, conveyance, assignment, transfer, and delivery of the Purchased Assets at the Closing, Buyer shall deliver to Sellers the "Purchase Price." The total Purchase Price includes the Down Payment, the Promissory Note, and the amounts owed for certain debts of Sellers and shall be paid as follows:

(a) At Closing, Buyer shall deliver to Sellers one or more checks made payable to the Sellers in the total amount of [REDACTED] (the "Down Payment");

(b) At Closing, Buyer shall deliver a promissory note (the "Promissory Note") to Sellers with a face amount of [REDACTED] payable to Sellers over two (2) years with a stated interest rate of five percent (5%) per annum.

**2.3 Allocation of Purchase Price.** Seller and Buyer agree to determine the allocation of the purchase post-closing pursuant to applicable Internal Revenue Service code and regulations. **2.4.**

**Sellers' Closing Obligations.** At the Closing, Sellers will deliver to Buyer the following:

(a) a Bill of Sale conveying to Buyer, or its designee or assignee, good and marketable title to the Purchased Assets which are not conveyed by other instruments referenced in this Section 2.4;

(b) all licenses/certifications issued by the Alabama State Department of Health, the Medicare and Medicaid provider numbers, and all other such licenses/certification necessary for the continued operation of the Hospice free and clear of all liens and encumbrances;

(c) to the extent not previously delivered, such organizational and authorization documents of the Company as shall be reasonably required by Buyer or its title company to evidence Company's authority to consummate the transactions contemplated by this Agreement;

(d) for recording, written releases of all liens held by third parties against the Purchased Assets; and

(e) such other instruments, assignments, and agreements as are reasonably necessary to consummate the transactions contemplated by this Agreement.

**2.5 Conditions on Closing.** The Closing is subject to the following:

(a) Buyer's due diligence assuring that the Hospice is operating at a level equivalent to Sellers' representations and as indicated on the Sellers' current books and records;

(b) Buyer's due diligence assuring that Sellers do not owe or will not owe Medicare or Medicaid any amounts for overpayments it has received for services provided prior to the Effective Date and extending through Hospice Cap Period 12/31/2020 other than any amounts previously disclosed;

(c) All certifications and licenses issued by the Alabama State Department of Health to Hospice are transferred to the Buyer;

(d) The Medicare and Medicaid provider numbers of Hospice are properly transferred to Buyer free and clear of any liabilities;

(e) Company's operations up to the date of Closing are in compliance with all Federal and State license requirements;

(f) Sellers shall have paid off all taxes owed by the Company;

(g) Company shall have filed all State and Federal tax filings that are due for time periods prior to the Closing;

(h) At Closing, the Purchased Assots must be transferred free and clear of all liens and encumbrances.

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers represent and warrant to Buyer the following:

#### 3.1 Organization and Authorization.

(a) Company is an Alabama corporation duly organized, validly existing, and in good standing under the laws of the State of Alabama. Company has, and at all times has had, full corporate power and authority to conduct its business as and where such business has and is being conducted.

(b) Company has the requisite corporate power and authority to enter into this Agreement and the other documents and agreements contemplated hereby and perform its obligations hereunder and thereunder. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereunder and thereunder have been duly and unanimously approved by the Shareholders, being the sole shareholders of the Company.

3.2 Corporate Authority; Consents; Absence of Conflicts with Other Agreements. Shareholders' execution, delivery and performance of this Agreement and the other documents contemplated hereby to which each Seller is a party, and the consummation of the transactions contemplated hereby: (a) are within the corporate power of Company, are not in contravention of law or of the terms of any governing instruments of Company and have been duly authorized by all appropriate corporate action; (b) will neither conflict with nor result in any material breach or contravention of, nor permit the acceleration of the maturity of a material portion of, nor the creation of any encumbrance; (c) will not violate, conflict with or constitute on the part of any Seller a breach or a default under any existing law; and (d) will not violate any order or judgment of any governmental entity to which any Seller may be subject.

3.3 Binding Obligations. This Agreement and any other agreements or instruments to which any Seller will become a party pursuant hereto constitute or will constitute the valid and legally binding obligation of each Seller and are or will be enforceable against each Seller in accordance with the terms hereof or thereof, except as enforceability may be subject to general principles of equity.

3.4 Licenses. Hospice is licensed and certified by the Alabama State Department of Health to participate in the Medicare and Medicaid programs as a Medicare and Medicaid certified hospice agency and has the requisite licensing authority to provide hospice services in the Service Area. Hospice also has all other necessary licenses required to conduct its operations at the locations where it currently provides services.

**3.5 Medicare and Medicaid Participation; Accreditation.** Hospice is qualified for participation in the Medicare and Medicaid programs by the Centers for Medicare and Medicaid Services ("CMS"), Hospice has a current and valid provider agreement with both the Medicare and Medicaid programs, and Hospice is in compliance in all material respects with the conditions of participation in such programs. There is no pending, nor, to Sellers' knowledge, threatened proceeding or investigation under the Medicare or Medicaid programs involving the Company, the Hospice, or any other service provider of Company.

**3.6 No Broker's Fees.** No Seller has employed any investment banker, broker, finder, agent, or other intermediary in connection with the negotiation or consummation of this Agreement or of any of the transactions contemplated hereby as to which Buyer may have any liability for such investment bankers', broker's, finder's, agent's, or other intermediary's financial advisory or similar fee.

**3.7 Absence of Certain Events.** From thirty (30) days prior to the Closing, Sellers have conducted the business of the Hospice only in the ordinary course of business and have not, except as specifically allowed herein:

- (a) disposed of any assets used in the operations of the Hospice other than inventory or obsolete assets which were replaced with assets of equal or greater value;
- (b) terminated or amended any managed care contract with any third party;
- (c) made any amendment or change to the corporate documents of the Company;
- (d) caused a suspension or interruption of the Company's legal existence;
- (e) suffered any damage to or destruction or loss of any of the Purchased Assets, whether or not covered by insurance, materially and adversely affecting the properties, assets, financial condition, or prospects of the Hospice, taken as a whole. For purposes of this subpart (e), damage, destruction or loss shall be deemed to be "material" if the cost to repair such damage exceeds \$10,000;
- (f) caused any patients of Hospice to be unnecessarily transferred to other hospice agencies operated by Company; or
- (g) made any capital expenditure for the acquisition of any assets in excess of \$10,000.

**3.8 Books and Records.** The books and records of accounts of Hospice are complete and accurate in all material respects and fairly represent the financial condition, patient census, results of operation, and cash flow of Hospice. All monies due or to become due from or to or owing by and all liabilities either actual, contingent, or accrued of Hospice by reason of any transaction, matter, or cause whatsoever have been duly, correctly, and completely entered therein in all material respects. The minute books of Company contain accurate and complete records of all meetings held and corporate actions taken by the shareholders of the Company.

**3.9 Contracts.** Sellers will remain liable for all contracts which they have entered into other than those expressly assumed herein by Buyer (those assumed by Buyer to include those referenced in Schedules 1.4 and 1.5 and Section 1.5, and Buyer is not assuming the responsibility of any such contracts entered into by Sellers by virtue of this Agreement.

**3.10 Employee Matters.** Company currently employs full-time employees, part-time employees, and independent contractors. While Buyer may in its discretion enter into new contracts with employees previously employed by Company, Buyer assumes no liability whatsoever for any amounts owed or claims of said employees for time periods prior to the Effective Date. Company shall remain responsible for all such debts owed to its employees for periods prior to the Effective Date including, but not limited to, payments for services provided, benefits, 401(k) matches, and any other amounts which may be owed to the employees.

**3.11 Litigation.** There is no action, suit, or proceeding, or governmental inquiry or investigation, pending or threatened against Sellers or the Purchased Assets, and to Sellers' knowledge there is no basis for any such action, suit, proceeding, or government inquiry that would result in any material adverse effect of the Purchased Assets being transferred herein.

**3.12 Compliance.** Sellers represent and warrant that they are compliant with all state and federal laws as well as its written compliance policy, if any. Sellers will have provided copies of all its compliance plans for the Hospice, if any, to Buyer prior to Closing. Sellers further warrant that to the best of their knowledge they are in compliance with all applicable state and federal laws.

**3.13 Title to Purchased Assets; Encumbrances.**

Company owns with good and marketable all of the assets (whether real, personal, or mixed and whether tangible or intangible including all licenses and provider numbers) that (i) are being purchased pursuant to this Agreement, (ii) are used in the operation of Hospice, (iii) are reflected as owned on the books and records of the Hospice, or (iv) have been purchased or otherwise acquired by the Company since the date of the most recent financial records supplied to Buyer in the ordinary course of business and consistent with past practices of Company.

**3.14 Purchased Assets.** Company has not transferred, conveyed, sold, pledged, or otherwise encumbered the assets being purchased herein, or any of them, to any person or entity, and Company has not agreed, in writing or otherwise, to transfer, convey, sell, pledge, or otherwise encumber, all or any of the assets being purchased herein to any person or entity other than to Buyer.

**3.15 Insurance.** Sellers have delivered or made available to Buyer true and complete copies of all policies of insurance with respect to the Purchased Assets and the operation of Hospice.

**3.16 Medicare Hospice Cap Overpayments.** Sellers both represent and warrant to Buyer that Company, for its operation of Hospice or any other hospice provider which it operates, does not owe any amounts to Medicare, other than such amounts specifically disclosed herein, including but not necessarily limited to any amounts related to cap overpayments made to Company for the services provided by the Company prior to the Effective Date nor will any

amounts become owed to Medicare for services provided by the Hospice prior to the Effective Date and extending through Cap Year Ending 12/31/2020 for cost reporting periods that have yet to be settled by Medicare.

Furthermore, neither Hospice nor any other hospice provider which Company operates has been approved nor is currently seeking approval from Medicare for any extended repayment plan to pay back amounts owed to Medicare other than any repayment plan disclosed to Buyer herein. As such, Company is not delinquent on any amounts owed to Medicare under any repayment plan. To the extent any such overpayments are owed by Company to Medicare for any reason whatsoever and the same are recouped or setoff from funds of Buyer, Buyer shall have the right, in addition to any other right that might be available to it under this Agreement or at law, to offset the amount of any such overpayments against any amounts to be paid to Seller hereunder. Sellers further represent and warrant that attached hereto as Schedule 3.16 is an accurate reflection of the cap amount, as calculated by Medicare for the three prior fiscal years.

**3.17 Indemnification by Company and Shareholders.** Except as may be otherwise provided in this Agreement, both Company and Shareholders, jointly and severally, hereby indemnify and agree to defend and hold harmless the Buyer and its successors and assigns from and against any and all claims, expenses, costs, damages, losses, and liabilities (including reasonable attorneys' fees) (collectively, the "Losses") which may at any time be asserted against or suffered by the Buyer, whether before or after the Closing, as a result of any CAP amount owed for any period prior to the Effective Date, regardless of when asserted, in an amount not to exceed \$500,000.00. In addition, both Company and Shareholders, jointly and severally, hereby indemnify and agree to defend and hold harmless the Buyer and its successors and assigns from and against any and all claims, expenses, costs, damages, losses and liabilities (including reasonable attorneys' fees) (collectively, the "Losses") which may at any time be asserted against or suffered by the Buyer, whether before or after the Closing, as a result of any liabilities for any recoupment by any federal agency or contractor related to the Paycheck Protection Plan, the CARES Act, or any other type of federal Covid-19 Stimulus program. This Indemnity shall be limited to \$200,000.00 which is in addition to the above-stated indemnity amount of \$500,000.00 but is specific to the recoupment related to the Paycheck Protection Plan, the CARES Act, or any other type of federal Covid-19 Stimulus program. The Promissory Note shall include a right of set-off for any indemnified Losses incurred hereunder.

**3.18 IRS Filings.** Sellers represent and warrant that they have made as of Closing and will continue to cause to be made after Closing all necessary filings with the IRS relating to the operations of the Company. As such, Company is not now indebted nor will become indebted to the IRS for any amounts, other than those disclosed herein, which could affect any of the assets being transferred to Buyer herein nor will in any way affect Buyer's ability to receive payment for services provided by Buyer after the Effective Date.

**3.19 Hospice Providers Operated by Company.** Sellers further represent and warrant to Buyer that included on Schedule 3.16 is a complete and accurate list of all Medicare and Medicaid providers and National Provider Identifiers owned and operated by Company or otherwise linked to Company's Tax Identification Number.

ARTICLE IV  
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers the following:

**4.1 Organization and Authorization.**

(a) Buyer is a Mississippi limited liability company duly organized, validly existing, and in good standing under the laws of the State of Alabama. Buyer has, and at all times has had, full power and authority to conduct its business as and where such business has and is being conducted.

(b) Buyer has the requisite power and authority to enter into this Agreement and the other documents and agreements contemplated hereby and perform its obligations hereunder and thereunder. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereunder and thereunder have been duly and unanimously approved by the Buyer.

**4.2 Binding Obligations.** This Agreement, and any other agreements or instruments to which Buyer will become a party pursuant hereto, constitute or will constitute the valid and legally binding obligation of Buyer and are or will be enforceable against Buyer in accordance with the terms hereof or thereof except as enforceability may be subject to general principles of equity.

**4.3 Broker's Fees.** Buyer has not employed any investment banker, broker, finder, agent, or other intermediary in connection with the negotiation or consummation of this Agreement or of any of the transactions contemplated hereby as to which Sellers may have any liability for such investment banker's, broker's, finder's, agent's, or other intermediary's financial advisory or similar fee.

**4.4 Indemnification.** Buyer hereby indemnifies and agrees to defend and hold harmless the Sellers and their successors and assigns from and against any and all claims, expenses, costs, damages, losses, and liabilities (including reasonable attorneys' fees) (collectively, the "Losses") which may be asserted against or suffered by the Sellers as a result of, on account of, or arising from any obligation, claim, suit, liability, contract, agreement, debt, or restriction created, arising, or accruing after the Closing and relating to the Purchased Assets, the provision of hospice services by Buyer in the Service Area after the Effective Date, or the business of Buyer or any breach of the representations, warranties, and covenants of the Buyer or the terms of this Agreement.

ARTICLE V  
COVENANTS OF SELLERS

**5.1 Access and Investigation.** Prior to Closing and extending through the Effective Date, Sellers will, and will cause its representatives to, (a) afford Buyer and its representatives full and free access, but upon prior appointment and in a manner that does not disrupt Company's operations, to Company's personnel, properties, contracts, books, and records, and



other documents and data; (b) furnish Buyer with copies of all such contracts, books, and records, and other existing documents and data as Buyer may reasonably request; and (c) furnish Buyer and its representatives with such additional financial, operating, and other data and information as Buyer may reasonably request.

**5.2 Operation of the Company.** Prior to Closing, Sellers will:

(a) cause the business of the Hospice to be conducted only in the ordinary course of business, including but not limited to maintaining a sufficient amount of personal property to operate the Hospice from and after the Closing in the ordinary course of business;

(b) use its best efforts to preserve intact the current business organization of the Hospice, keep available the services of the current officers, employees, and agents of the Hospice, and maintain the relations and good will with patients, physicians, suppliers, customers, landlords, creditors, employees, agents, and others having business relationships with the Hospice;

(c) except with the prior written consent of Buyer, not enter into any new agreements or contracts affecting the Hospice that are not terminable by Hospice upon thirty (30) days' notice without penalty or the consent of any other person;

(d) confer with Buyer concerning operational matters of a material nature; and

(e) otherwise report periodically to Buyer concerning the status of the operations and finances of the Hospice.

**5.3 Required Approvals.** As promptly as practicable after the execution of this Agreement, Sellers will make any and all filings required by law to be made by them in order to consummate the transactions contemplated hereunder. Sellers will (a) cooperate with Buyer with respect to all filings that Buyer elects to make or is required by law to make in connection with the transactions contemplated hereunder, and (b) cooperate with Buyer in obtaining all consents required to consummate this Agreement.

**5.4 Notification.** Sellers will promptly notify Buyer in writing if Sellers become aware of any fact or condition that causes or constitutes an inaccuracy in any of Sellers' representations and warranties as of the Effective Date, or if Sellers become aware of the occurrence after the Effective Date of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute an inaccuracy in any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. Should any such fact or condition require any change, Sellers will promptly deliver to Buyer a notice specifying such change. During the same period, Sellers will promptly notify Buyer of the occurrence of any breach of any covenant of Sellers in this Article V or of the occurrence of any event that may make the satisfaction of the conditions in Article V impossible or unlikely.

**5.5 No Negotiation.** Sellers will not, and will cause their representatives not to, directly or indirectly solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited

inquiries or proposals from, any person (other than Buyer) relating to any transaction involving the sale of the Hospice or the assets (other than in the ordinary course of business) of the Hospice or any merger, consolidation, business combination, or similar transaction involving the Hospice.

**5.6 Non-Compete.**

(a) Sellers recognize that the covenants and assurances made by Sellers herein are an essential part of the Agreement, and but for such covenants and assurances, Buyer would not have entered into this Agreement. Further, Sellers acknowledge and agree that a covenant not to compete is necessary to protect the goodwill of the business acquired hereunder by Buyer and to ensure the continuation of the operation of the Hospice by Buyer. Sellers also acknowledge that irreparable harm and damage will be done to Buyer and its affiliates in the event either Seller competes with Buyer in the geographic area included in this non-compete. Therefore, each Seller agrees that for a period of five (5) years following the Closing, no Seller shall directly or indirectly establish, own, or acquire an ownership or controlling interest, manage, operate, control, participate in the management or control of, or become employed by any hospice agency operating in the Service Area.

(b) Should any portion of this covenant be held by a court of competent jurisdiction to be unenforceable, the parties agree that a lesser restriction to reasonably protect Buyer's interest herein shall be enforced in its place, and the remaining restrictions shall be enforced independently of each other. Without limiting other possible remedies to Buyer for breach of this covenant, Sellers agree that injunctive or other equitable relief shall be available to Buyer without the necessity of posting bond, cash or otherwise, and that if Buyer prevails, breaching Seller or Sellers shall be responsible for the payment of all costs, including but not necessarily limited to, court costs, taxable costs, and reasonable attorney's fees incurred by Buyer in enforcing the provision of this covenant not to compete.

**5.7 Setoff.** As security for Sellers' obligations under the Indemnification provision of Section 3.17 and as security for Sellers' representations, warranties, and covenants under this Agreement, Buyer shall have the right to withhold and setoff any amounts that Buyer owes to Sellers under this Agreement, including without limitation amounts owed under the Promissory Note, against any amounts that are owed or claimed to be owed by Company or Shareholders which are covered by Sellers' indemnities in Section 3.17 above, or any other such amounts which may become owed by Sellers to Buyer as a result of this Agreement.

**5.8 Best Efforts.** Between the Effective Date and the Closing, Sellers will use their best efforts to cause the conditions in Articles VII and VIII to be satisfied.

## ARTICLE VI COVENANTS OF BUYER

**6.1 Approvals of Governmental Bodies.** As promptly as practicable after the execution of this Agreement, Buyer will make all filings required by law to be made by it to consummate the transactions contemplated hereunder. Buyer will also cooperate with Sellers with respect to all filings that Sellers are required by law to make in connection with the transactions contemplated hereunder.

6.2 Continued Operations. Buyer covenants that it is Buyer's intention to continue to operate the Purchased Assets as a hospice agency.

6.3 Notification. Buyer will promptly notify Sellers in writing if Buyer becomes aware of any fact or condition that causes or constitutes an inaccuracy in any of Buyer's representations and warranties as of the Effective Date, or if Buyer becomes aware of the occurrence after the Effective Date of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute an inaccuracy in any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. Should any such fact or condition require any change, Buyer will promptly deliver to Sellers a notice specifying such change. During the same period, Buyer will promptly notify Sellers of the occurrence of any breach of any covenant of Buyer in this Article VI or of the occurrence of any event that may make the satisfaction of the conditions in Article VI impossible or unlikely.

6.4 Best Efforts. Buyer will use its best efforts to cause the conditions in Articles VII and VIII to be satisfied.

## ARTICLE VII CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

This Agreement is executed by Buyer subject to satisfaction, on or before the Closing, of all of the conditions precedent set forth in this Article VII, any of which may be waived in writing by Buyer:

7.1 Representations, Warranties, and Covenants. The representations, warranties, and covenants of Sellers contained in this Agreement will be true and correct in all material respects on and as of the Closing, except to the extent such representations and warranties are made as of an earlier date (in which case they shall be true in all material respects as of such date) and except that those representations and warranties which by their terms are qualified by materiality shall be true in all respects. The covenants under this Agreement required to have been complied with or performed by Sellers before Closing will have been duly complied with or performed in all material respects.

7.2 Approvals by Governmental Entities; Licenses and Permits. Buyer will have received no written or oral notice: (i) from the Alabama State Department of Health or any other governmental entities that upon Closing (or any time thereafter) all licenses, certifications, and permits required by law to operate the Hospice as currently operated will not be transferred to or reissued in the name of Buyer; (ii) that Medicare certification for the operation of the Hospice will not be transferred to Buyer following Closing (but effective upon the Effective Date) or that Buyer will not receive reimbursement from Medicare effective upon (or retroactive to) the Effective Date; and (iii) that Medicaid certification for the operation of the Hospice will not be transferred to Buyer following Closing (but effective upon the Effective Date) or that Buyer will not receive reimbursement from Medicaid effective upon (or retroactive to) the Effective Date. In the event any of the above licenses, permits, or provider numbers shall not be transferred to Buyer, Buyer's obligations under this Agreement shall become null and void.

**7.3 Actions or Proceedings.** No action or proceeding before any governmental entity will remain in effect which restrains, enjoins, or otherwise prohibits the transactions contemplated hereby. As of the Closing, no action or proceeding before any governmental entity shall have been instituted or threatened which seeks to restrain or prohibit the transactions contemplated hereby.

**7.4 Delivery of Documents.** Each document required to be delivered by Sellers pursuant to Section 2.4 must have been delivered to Buyer.

**7.5 Release of IRS Liens.** Buyer shall have received Certificates of Release from the IRS for all liens, if any, filed against the Company.

#### ARTICLE VIII CONDITIONS PRECEDENT TO SELLERS' OBLIGATIONS TO CLOSE

This Agreement is executed by Sellers subject to satisfaction, on or before the Closing, of all of the conditions precedent set forth in this Article VIII, any of which may be waived in writing by Sellers:

**8.1 Representations, Warranties and Covenants.** The representations, warranties, and covenants of Buyer contained in this Agreement will be true in all material respects as of Closing, except that those representations and warranties which by their terms are qualified by materiality shall be true in all respects, and the covenants in this Agreement required to be complied with or performed by Buyer before Closing will have been duly complied with or performed in all material respects.

**8.2 Actions or Proceedings.** No action or proceeding before any governmental entity will remain in effect which restrains, enjoins, or otherwise prohibits the transactions contemplated hereby. As of the Closing, no action or proceeding before any governmental entity shall have been instituted or threatened which seeks to restrain or prohibit the transactions contemplated hereby.

#### ARTICLE IX TERMINATION

**9.1 Termination.** This Agreement may be terminated and the transactions contemplated hereby abandoned prior to the Closing (a) upon the mutual written consent of Buyer and Sellers; (b) by either Buyer or Sellers if Closing shall not have occurred on or before December 31, 2020, provided that the party electing to terminate this Agreement shall not then be in breach of this Agreement; (c) by Buyer, if (without any breach by Buyer of any of their obligations hereunder) compliance with any condition set forth in Article VII becomes impossible, and such failure of compliance is not waived by Buyer; or (d) by Sellers, if (without any breach by Sellers of any of their obligations hereunder) compliance with any condition set forth in Article VIII becomes impossible, and such failure of compliance is not waived by Sellers. In the event this Agreement is terminated as provided in this Article IX, Buyer shall deliver to Sellers or shall destroy (and certify to Sellers as to such destruction) all documents in its possession concerning Company previously delivered by Sellers to Buyer.

ARTICLE X  
GENERAL PROVISIONS

10.1 Enforcement Expenses. Except as otherwise expressly provided herein, in the event any party elects to incur legal expenses to enforce, defend, or interpret any provision of this Agreement as between it and the other party, the prevailing party (determined by adjudication) will be entitled to recover from the non-prevailing party (or non-prevailing parties, jointly and severally) the amount of such reasonable legal expenses, including attorneys' fees, costs, and necessary disbursements, in addition to any other relief to which such party will be entitled.

10.2 Confidentiality.

(a) Prior to the Closing, Buyer and Sellers will maintain in confidence, and will cause the trustees, directors, officers, employees, agents, and advisors of Buyer and Sellers to maintain in confidence, and not use to the detriment of another party or Sellers, any written, oral, or other information obtained in confidence from another party or Sellers in connection with this Agreement or the transactions contemplated hereunder, unless (i) such information is already known to such party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party, (ii) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated hereunder, or (iii) the furnishing or use of such information is required by legal proceedings, provided that in case of any furnishing or use of such information, the other parties hereto shall have at least fourteen (14) days prior notice and shall have an opportunity to object to such furnishing or use.

(b) If the transactions contemplated hereunder are not consummated, then each party will return or destroy as much of such written information as the other party may reasonably request.

10.3 Notice. Any notice, demand, or communication required, permitted or desired to be given hereunder must be in writing and will be deemed effectively delivered when personally delivered; when actually received by recognized overnight courier; or five (5) days after being deposited in the United States mail, with postage prepaid thereon, by certified or registered mail, return receipt requested, addressed as follows:

if to Seller:                   Hometown Hospice, Inc.  
  Attn: Angie Thornton  
  1447 College Avenue  
  Jackson, Alabama 365454

with a copy to:                Jessica L. Welch, Esq.  
  One Saint Louis Centre  
  1 Saint Louis St. Ste 4000  
  Mobile, AL 36602

if to Buyer:           Kare-In-Home Hospice of Mobile, LLC  
10281 Corporate Drive  
Gulfport, MS 39503

with a copy to:       Butler Snow LLP.  
Attn: Thomas L. Kirkland, Jr., Esq.  
1020 Highland Colony Parkway  
Suite 1400  
Ridgeland, MS 39157

or to such other address, or to the attention of such other person, as any party may designate by notice delivered in like manner.

**10.4 Schedules and Other Instruments.** Each Schedule, Exhibit, or other instrument provided hereunder, and each written disclosure required hereby is incorporated by reference into this Agreement and will be considered a part hereof as if set forth herein in full.

**10.5 Choice of Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Alabama without regard to its principles of conflicts of laws.

**10.6 Benefit.** This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and permitted assigns. This Agreement is not intended to benefit any other individual, group, association, or entity.

**10.7 Waivers and Consents.** Any waiver of any provision of this Agreement and any consent given hereunder must be in writing signed by the party sought to be bound. The waiver by any party of a breach or violation of any provision of this Agreement will not operate as, or be construed to constitute, a waiver of any subsequent breach or violation of the same or any other provision hereof. No delay or failure on the part of any party in exercising or enforcing any right, power, or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power, or privilege preclude any other or further exercise of any other right, power, or privilege.

**10.8 Severability.** In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability will in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which will be and remain in full force and effect, and enforceable in accordance with its terms.

**10.9 Inferences.** Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of or against any party will be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

**10.10 Amendment.** This Agreement may be amended, and the terms hereof may be modified, only by a writing executed by the parties hereto, and any matter referred to herein as mutually agreed to or designated by the parties must be evidenced by such writing.

**10.11 Counterparts.** This Agreement, and any document or instrument required or permitted hereunder, may be executed in counterparts, each of which will be deemed an original and all of which together will constitute but one and the same instrument.

**10.12 Entire Agreement.** This Agreement, including any exhibits and schedules hereto, supersedes all previous agreements and constitutes the entire agreement of whatsoever kind or nature existing among the parties representing the within subject matter, and no party will be entitled to benefits other than those specified herein. The parties specifically acknowledge that in entering into and executing this Agreement, the parties relied solely upon the representations and agreements contained herein, including any such exhibits and schedules hereto, and no others. All prior representations or agreements, whether written or oral, not expressly referenced herein are superseded.

**10.13 Assignment.** No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties to this Agreement.

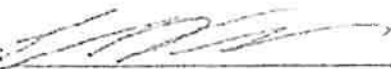
**10.14 Time of Essence.** With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the date and year first above written.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

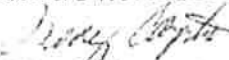
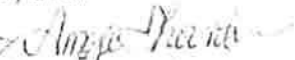
**BUYER:**

**KARE-IN-HOME HOSPICE OF MOBILE, LLC**

By:   
Carol B. Bland, Its President

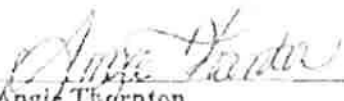
**SELLERS:**

**HOMETOWN HOSPICE, INC.**

By:    
Its: Tracy Carpenter, Angie Thornton  
President Vice President

---

**SHAREHOLDERS:**

  
Angie Thornton

  
Tracy Carpenter



Schedule 1.1(a)  
Certificates of Need/Licenses and Provider Numbers

License # 91 issued by the Alabama State Department of Health

Medicare Provider Number 011598

Medicaid Provider Number PIC1598E

All other licenses, certification, and provider numbers used in the operation of the Hospice.

Schedule 1.1(b)  
Furniture, Fixtures & Equipment

All furniture, fixtures, and equipment located at 23 Shell Street , Saraland, AL 36570 which includes, but is not necessarily limited to, the following:

25 tablets, 4 laptops and one desk top computer \$7500.00  
26 8 computer tables \$1200.00  
Conference room table and chairs \$ 2000.00  
2 office desk \$ 2000.00  
2 office chairs \$300.00  
2 file cabinets \$800.00  
2 locking cabinets \$500.00  
1 Refrigerator \$800.00  
1 microwave \$100.00  
\_ Shelves and cube units \$3900.00  
2 folding tables \$200.00  
Office supplies \$1000.00  
Patient Supplies \$10,000.00  
4 phones \$500.00

Schedule I.(k)  
Bank Accounts

Bank Account # 31007350 at Smart Bank.

Schedule 1.3  
Sellers' Accounts Receivable

Please see attached. All accounts receivable for dates of service prior to date of sale

**Schedule 1.4  
Assumed Liabilities**

**Schedule 1.5  
Vendor Contracts**

Schedule 3.16  
Medicare Hospice Cap Overpayments

\$186,912.35

ORIGIN ID: JANA (601) 985-4166  
CHRISTIE CROTHERS  
1020 HIGHLAND COLONY STE 1400  
RIDGELAND, MS 39157  
UNITED STATES US

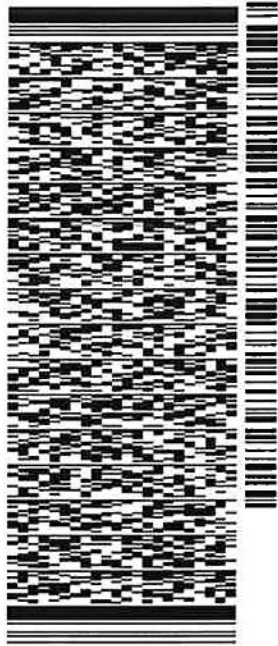
SHIP DATE: 30DEC20  
ACTWGT: 1.00 LB  
CAD: 104023345INNET4280  
BILL SENDER

TO **EMILY MARSAL**

**STATE HEALTH PLANNING & DEVELOPMENT  
RSA UNION BUILDING  
100 NORTH UNION STREET, SUITE 870  
MONTGOMERY AL 36104**

(334) 242-4103 REF: 218652

INV: PO: DEPT:



J202020071481uv

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TRK# 7725 0503 2640  
0201

THU - 31 DEC 10:30A  
PRIORITY OVERNIGHT

**XX MGMA**

36104  
AL-US BHM



**After printing this label:**

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2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.



December 30, 2020

*Via Electronic Filing To:*

shpda.online@shpda.alabama.gov

Ms. Emily Marsal, Executive Director  
State Health Planning and Development Agency  
RSA Union Building  
100 North Union Street, Suite 870  
Montgomery, AL 36104

**Re: Notice of Change of Ownership  
Hometown Hospice (# 025-P2427) to Kare-In-Home Hospice of Mobile**

Dear Ms. Marsal:

We represent Kare-In-Home Hospice of Mobile, LLC (“Kare-In-Home”) in the above-referenced proposed change of ownership of Hometown Hospice, Inc. (SHPDA ID # 025-P2427). Please accept this letter as an attachment to the Notice of Change of Ownership form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (“Rules”) for the transaction described herein. The attached Notice of Intent to Change Ownership involves the change of ownership of Hometown Hospice, Inc. (“Hometown”). Hometown has authority to operate in-home hospice services in Mobile, Clarke, Washington and Choctaw Counties. The following addresses the State Health Planning and Development Agency’s requirements for a change of ownership:

**I. Financial Scope of Project**

The financial scope of the project encompasses the fair market value payment that Kare-In-Home will make to Hometown as consideration for the sale of certain assets and contractual rights used in or related to the operation or conduct of Hometown. This transaction will not exceed any of the expenditure thresholds. There are no new equipment costs or capital expenditures. Kare-In-Home anticipates a yearly operating cost of \$1,100,000.00 which is below the expenditure threshold for new annual operating costs, set forth in Section 22-21-263(a)(2) of the Alabama Code as updated. Please see the attached Asset Purchase Agreement (“Agreement”), which is contingent upon approval from governmental authorities, for the terms of the transaction. This Agreement is being submitted confidentially with this letter.

Post Office Box 6010  
Ridgeland, MS 39158-6010

ALLISON C. SIMPSON  
601.985.4599  
C 601.940.5332  
allison.simpson@butlersnow.com

Suite 1400  
1020 Highland Colony Parkway  
Ridgeland, MS 39157

T 601.948.5711 • F 601.985.4500 • www.butlersnow.com

BUTLER SNOW LLP

**II. Services to be Offered**

The contemplated transaction will not result in any new or additional services being provided.

**III. Beds**

The contemplated transaction will not result in the addition of new beds nor will it result in the conversion of any beds.

**IV. Stocks and Assets**

The contemplated transaction will not involve the acquisition of stock but will involve the purchase of certain assets used in or related to the operation or conduct of Hometown's business of in-home hospice services. Please see the Agreement attached hereto.

**V. Conclusion**

Based upon the above description of the proposed transaction and a showing that there will be no change in the number of health services, conversion of beds, or increase or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON is not required for the transaction.

In accordance with the Rules, a check in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) made payable to SHPDA is being sent overnight via Federal Express (Tracking No. 7725 0503 2640 ) to SHPDA, 100 North Union Street, Suite 870, Montgomery, AL 36104.

Please contact me if you have any questions or need any additional information.

Sincerely,  
BUTLER SNOW LLP

  
Allison C. Simpson

Encl.  
cc: Chad Blalack

**KIH Management, LLC**

1443

Vendor ID	Name	Payment Number	Check Date	Document Number	
SPDA1000	STATE OF AL. HEALTH PLANNING	PMT000899	11/24/2020	1443	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
DUES/FEES	11/24/2020	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00

\$2,500.00      \$2,500.00      \$0.00      \$2,500.00

<p><b>KIH Management, LLC</b>                  10281 Corporate Drive                  KIH Management, LLC                  228-604-2155</p>		<p><b>BancorpSouth</b>                  Member FDIC                  INFOLINE 1-888-797-7711                  85-127/842</p>		<p>1443</p>
<p>PAY TO THE ORDER OF:</p>		<p>DATE</p>		<p>11/24/2020</p>
<p>Two Thousand Five Hundred Dollars and 00 Cents</p>		<p>AMOUNT</p>		<p>\$2,500.00</p>
<p>STATE OF AL. HEALTH PLANNING &amp; DEVELOPMENT</p>		<p><i>[Signature]</i></p>		<p>Security features. Details on back.</p>
		<p>AUTHORIZED SIGNATURE</p>		

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