

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: 097-N0012
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Mobile Nursing Operations, LLC dba Azalea Gardens of Mobile
(ADPH Licensure Name)

Physical Address: 1758 Spring Hill Ave.
Mobile, AL 36607

County of Location: Mobile

Number of Beds/ESRD Stations: 170 - certified skilled nursing

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. N/A

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: Mobile Nursing Operations, LLC

Mailing Address: 145 N. Highland Dr.
Many, LA 71449

Operator (Entity Name): Mobile Nursing Operations, LLC dba Azalea Gardens of Mobile

Part III: Acquiring Entity Information

Name of Entity: Azalea Propco LLC

Mailing Address: 1758 Spring Hill Ave.
Mobile, AL 36607

Operator (Entity Name): Azalea Health and Rehab LLC

Proposed Date of Transaction is on or after: 05/01/2021

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 11,000,000

Type of Beds: Skilled Nursing Facility Beds

Number of Beds/ESRD Stations: 170

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

Projected Equipment Cost: \$ 0

Projected Construction Cost: \$ 0

Projected Yearly Operating Cost: \$ 8,700,000

Projected Total Cost: \$ 8,700,000

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).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

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): Mobile Nursing Operations LLC ✓ *Jack Sanders*

Operator(s): Mobile Nursing Operations LLC ✓ *Jack Sanders*

Jack Sanders, Manager

Jack Sanders, Manager

Title/Date: _____

* SWORN to and subscribed before me, this 24 day of March, 2021.

(Seal)

A-84

Melody Martinez
Notary Public

My Commission Expires: Life



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): Azalea Propco LLC ✓ *[Signature]*
Shalom Lerner, Manager

Operator(s): Azalea Health and Rehab LLC ✓ *[Signature]*
Shalom Lerner, Manager

Title/Date: _____ 03/23/2021 _____

* SWORN to and subscribed before me, this 23 day of March, 2021.

(Seal) TANYA MIZRANI
NOTARY PUBLIC, STATE OF NEW YORK
NO. 61 M1660342
QUALIFIED IN KINGS COUNTY 21
COMMISSION EXPIRES DEC 23 2021

Tanya Mizrani
Notary Public
My Commission Expires: 12/26/2021

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

Alabama State Health Planning & Development Agency

CHANGE OF OWNERSHIP

Part III: Acquiring Entity Information – Attachment – Contract of Sale

Mobile Nursing Operations, LLC, the current property owner, CON holder and operator of the facility currently known as Azalea Gardens of Mobile, has entered into a Contract of Sale with Essential Healthcare Affiliates, LLC. Essential Healthcare Affiliates, LLC plans to assign its rights to purchase the property to its affiliated entity, Azalea Propco LLC. Azalea Propco LLC will become the new CON holder on May 1, 2021 or after the transaction has occurred. Mobile Nursing Operations, LLC will also enter into an Operations Transfer Agreement with Azalea Health and Rehab LLC, an affiliate of Essential Healthcare Affiliates, LLC, on the transaction effective date. Azalea Health and Rehab LLC will become the new licensed operator and will enter into a lease agreement with Azalea Propco LLC beginning on May 1, 2021 or the transaction effective date. Mobile Nursing Operations, LLC is currently party to a Ground Lease with Infirmity Health System, Inc. (landlord) and, as part of this sale, Mobile Nursing Operations, LLC will assign its interest in the Ground Lease to Azalea Propco LLC.

Part IV: Terms of Purchase - Attachment

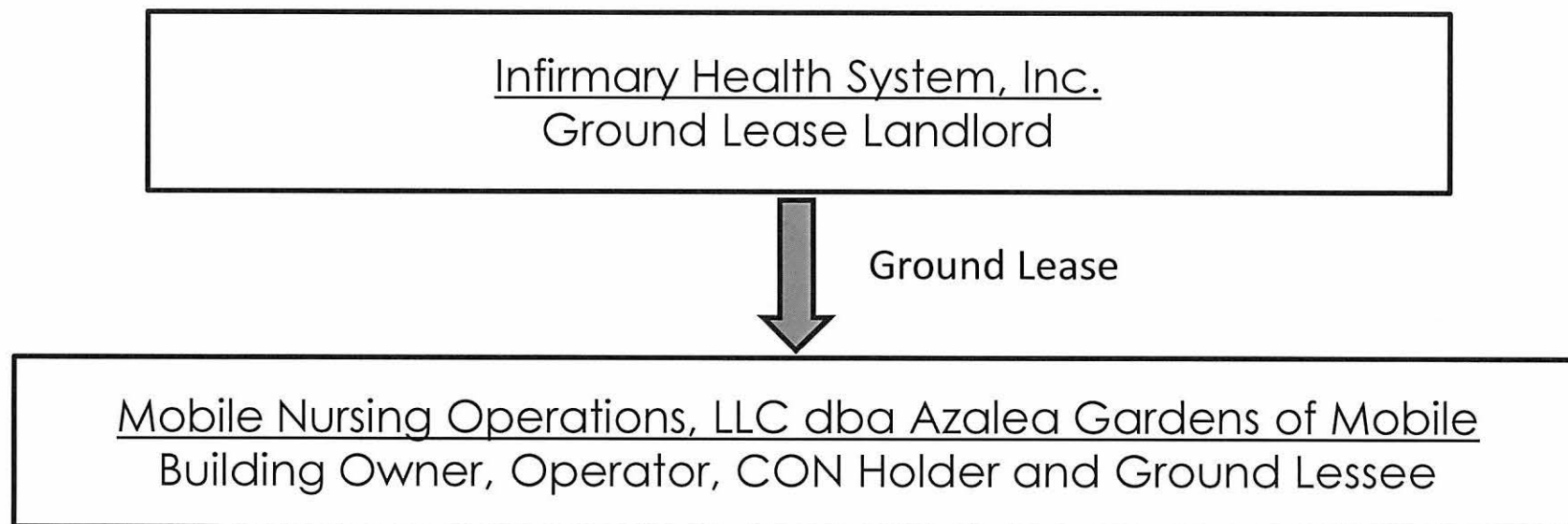
1. The services provided will be skilled nursing care services as offered by the previous operator.
2. There will be no new beds added.
3. There will be no conversion of beds.
4. The transaction will be sale of real property and a transfer of operational control to two new and separate entities which are not related to the seller. There will be no transfer of stock in this transaction.

Note:

The projected yearly operating costs of \$8,700,000 represent amounts which are consistent with current operating costs and adjusting for the new lease expense amount. No substantial increases are expected.

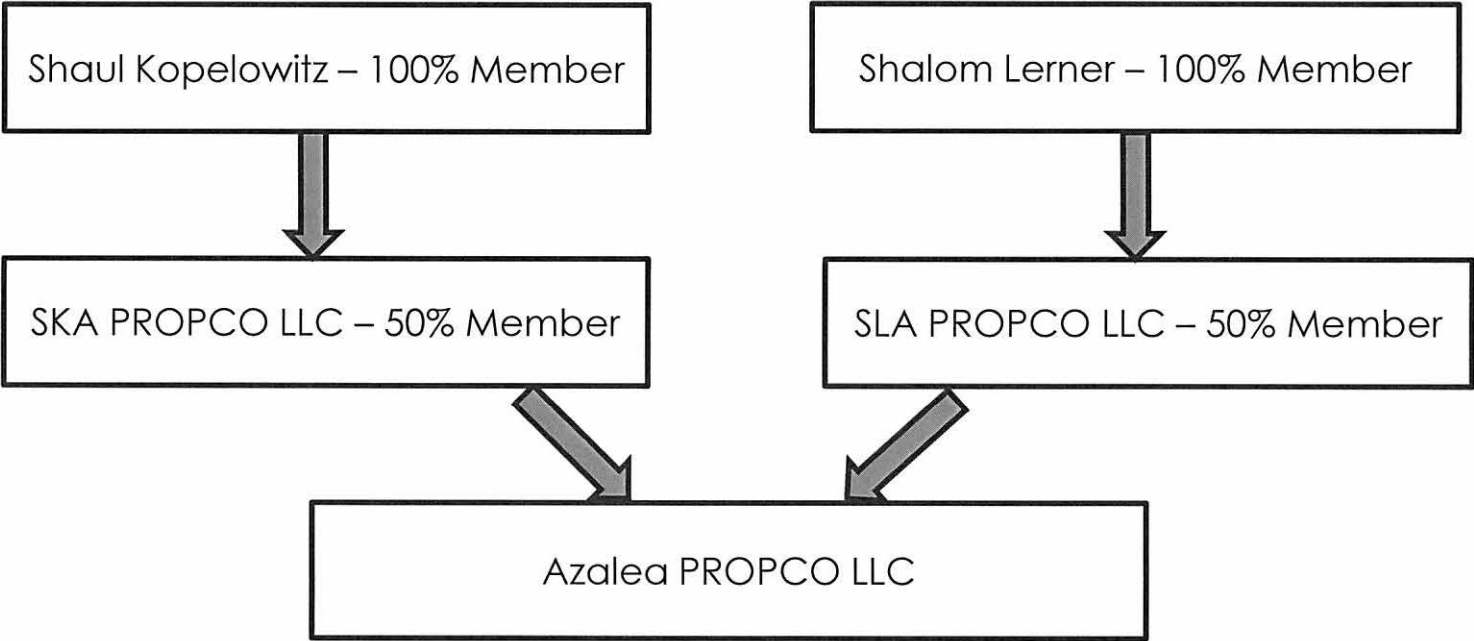
Part II: Current Authority

**Mobile Nursing Operations, LLC dba Azalea Gardens of Mobile
Building Lease and Ground Lease – Current Structure**



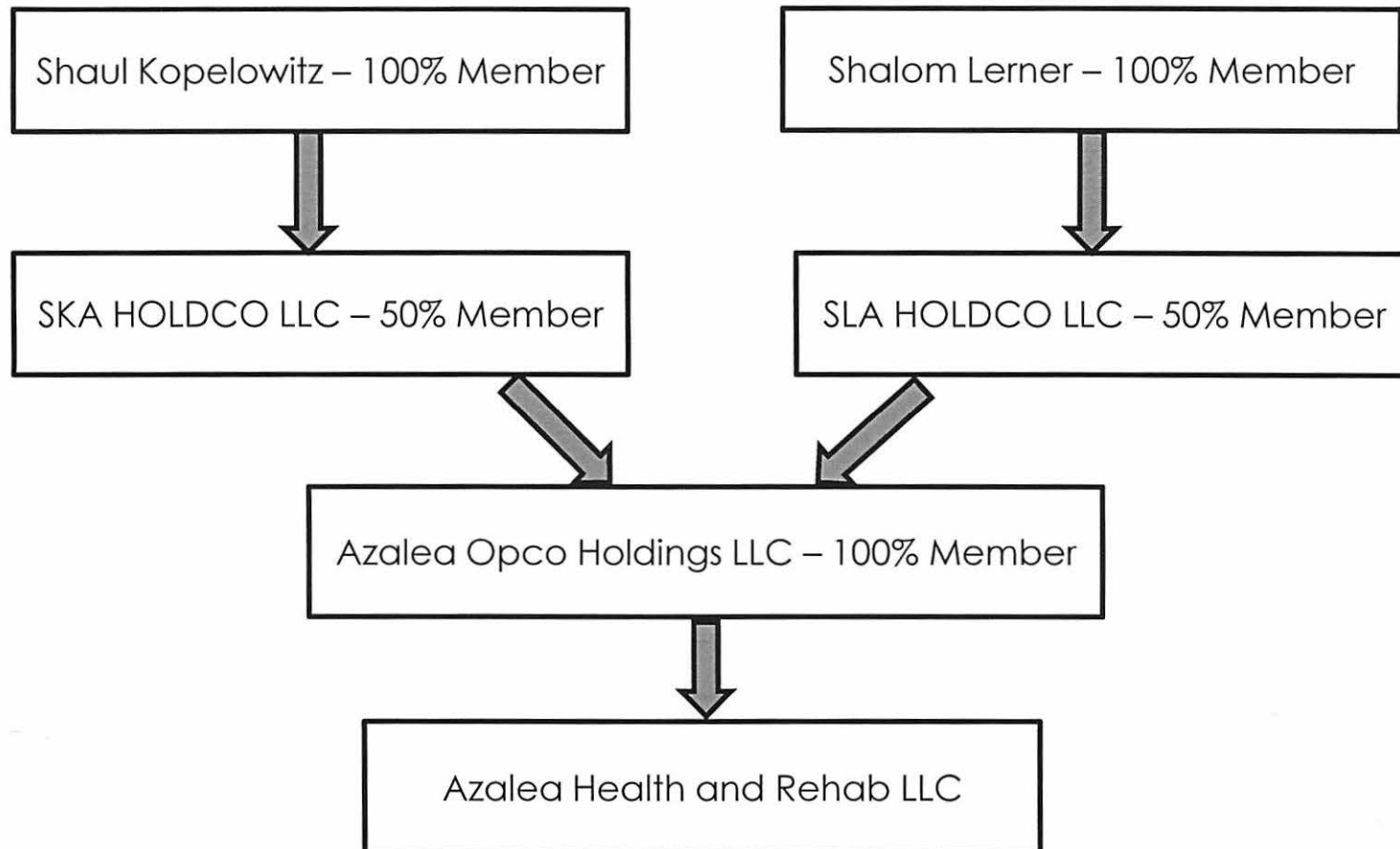
Part III: Acquiring Entity Information

Azalea Propco LLC
Organizational Structure



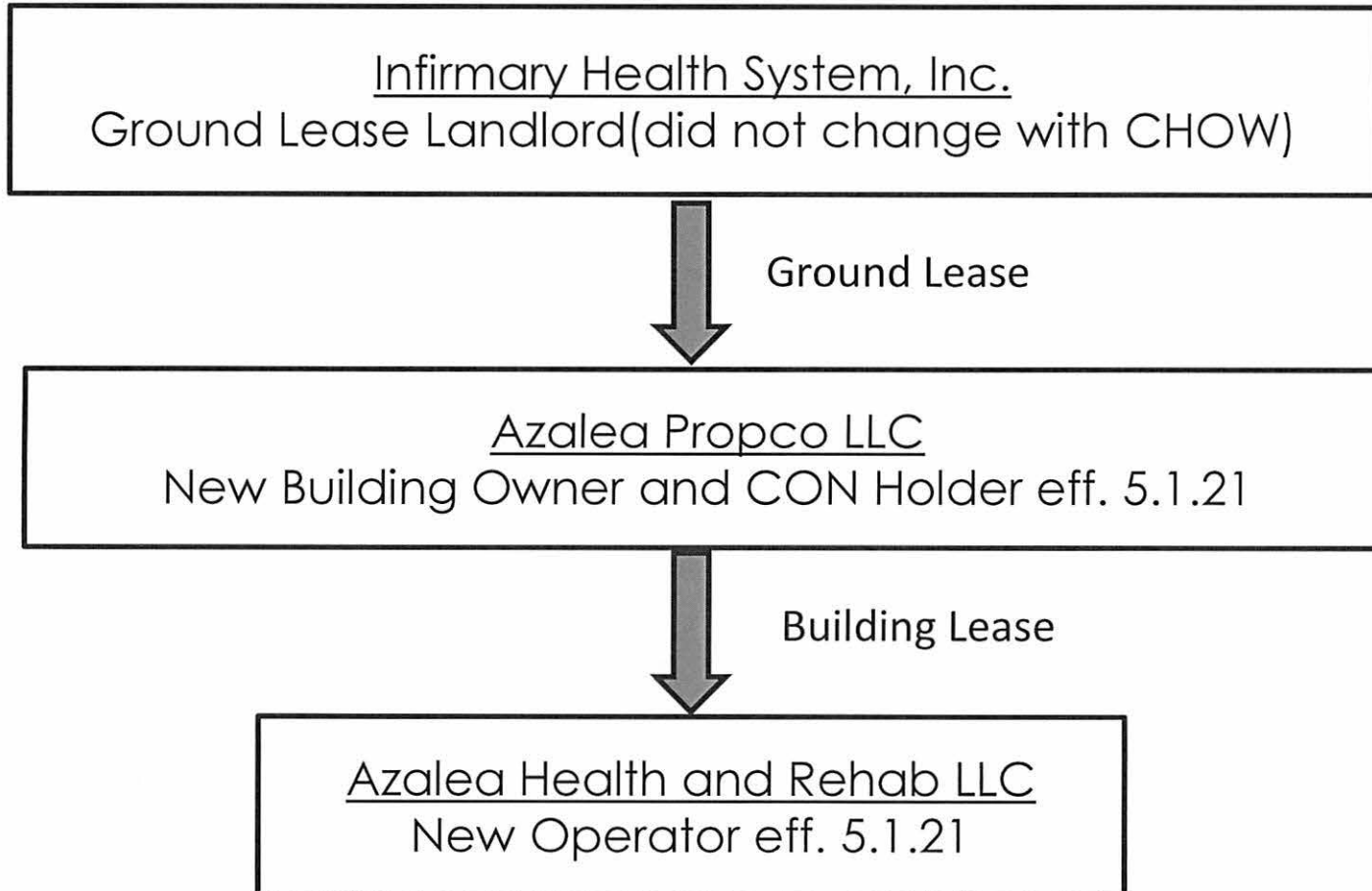
Part III: Acquiring Entity Information

Azalea Health and Rehab LLC
Organizational Structure



Part III: Acquiring Entity Information

Azalea Health and Rehab LLC
Building Lease and Ground Lease Post-Sale Structure



CONTRACT OF SALE

THIS CONTRACT OF SALE together with all exhibits, schedules and documents required herein (the “Agreement”), dated November 19, 2020, is by and between Essential Healthcare Affiliates, LLC (“Buyer”) and Mobile Nursing Operations, LLC, an Alabama limited liability company (“Seller”).

RECITALS:

WHEREAS, Seller is the current Lessee under that certain Lease dated November 30, 1966 (the “Ground Lease”) as it relates to the real property located at 1758 Springhill Avenue, Mobile, AL, as more particularly described on described in the legal description attached as Exhibit A (the “Real Property”), which is improved by a duly licensed 170-bed skilled nursing facility commonly known as “Azalea Gardens of Mobile” (the “Facility”);

WHEREAS, Seller owns the buildings, fixtures, personal property, and improvements located on the constituting the Facility; and

WHEREAS, in accordance with the terms and conditions set forth in this Agreement, (a) Seller desires to (i) assign all of its right, titles and interest in and to the Ground Lease, as Lessee, to Buyer, and (ii) sell the Facility and the improvements and personal property associated therewith to Buyer, and (b) Buyer desires to (i) assume all obligations under the Ground Lease pursuant to the assignment of the Ground Lease from Seller, and (ii) purchase the Facility and improvements and personal property associated therewith from Seller on the terms and conditions set forth in this Agreement;

WHEREAS, Seller is the operator of the Facility; and

WHEREAS, in connection with the foregoing, Seller shall enter into an operations transfer agreement in the form attached hereto as Exhibit B (the “OTA”) with an affiliate of Buyer (the “New Operator”) in order to provide for an orderly transition of the operations of the Facility, and the transfer of certain assets related thereto.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller agree as follows:

ARTICLE 1

SALE AND PURCHASE OF PROPERTY

Section 1.1 Sale and Purchase of Property.

Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined), Seller, to the extent of its interest, agrees to sell, transfer, convey, assign and deliver to Buyer, and Buyer agrees to purchase, acquire and accept from Seller,

free and clear of any lien, charge, encumbrance, security interest, mortgage, pledge, claim, or option except the Permitted Liens (as hereinafter defined), all of Seller's right, title and interest in and to the following assets (collectively, the "Property"):

(a) the buildings, structures, fixtures, operating systems, fences, support systems, surface parking lots, parking spaces and garages and other improvements affixed to or located on the Real Property, including, without limitation, the Facility (the "Improvements"); and

(b) Seller's right, title and interest in and to all furniture, fixtures, furnishing and equipment and other tangible personal property (collectively, the "Personal Property") that the Seller may own and currently located within the Real Property or used in connection with the operation of the Facility;

(c) All assignable or transferable licenses, certificates, permits, waivers and certificates of occupancy, trade names and trademarks, plans and specifications, and contract rights (to the extent assumed by Buyer) owned or held by Seller that relate to the Real Property and all rights related thereto (collectively, the "Intangible Property"); and

(d) The Ground Lease.

Section 1.2 Evidence of Transfer.

The transfer of the Improvements, free and clear of all liens and encumbrances other than the Permitted Liens, shall be evidenced by a Special Warranty Improvements Deed ("Deed") in a form which is reasonably suitable to the Title Company (as hereinafter defined).

Section 1.3 Inspection Period; As-Is.

(a) Buyer shall have the right to terminate this Agreement for any reason, or for no reason whatsoever, satisfactory to Buyer in its sole and absolute discretion by giving written notice of such termination to Seller on or before the date which is forty five (45) days following the date hereof (the "Due Diligence Expiration Date"), in which event Buyer shall promptly receive a return of the Deposit and this Agreement shall terminate and thereafter be null and void, except for those obligations and liabilities that are expressly stated to survive the termination of this Agreement. Subject to the provisions of this Section 1.3, Buyer and its agents, employees, attorneys, accountants, consultants, advisors, lenders, investors, inspectors, appraisers, engineers and contractors (collectively "Buyer's Representatives") shall have the right, upon the advance notice required pursuant to subsection (b) below, to enter upon and pass through the Property during normal business hours to conduct such inspections, investigations, tests and studies with respect to the Property as Buyer shall deem necessary, including without limitation, a Phase I environmental study; provided that Buyer shall not conduct any invasive testing, such as a Phase II environmental study, without Seller's prior written consent, which shall not be unreasonably withheld. Buyer shall not conduct interviews with the employees of the Facility without Seller's prior written consent, not to be unreasonably withheld; provided that Buyer shall have the right, upon notice to Seller, but without Seller's consent, to interview the employees of the Facility after the Due Diligence Expiration Date. Sellers shall reasonably cooperate with Buyer and Buyer's Representatives in connection with its due diligence, including, without limitation, making available to Buyer (to the extent not already provided)

such documents or information in Seller's possession or control, including without limitation, the documents and materials set forth in Exhibit C attached hereto within five (5) days of the date hereof.

(b) In conducting any inspection of the Property or otherwise accessing the Property, Buyer shall at all times comply in all material respects with all laws and regulations of all applicable governmental authorities, and neither Buyer nor any of Buyer's Representatives shall (i) unreasonably interfere with the business of any of the tenants conducted at the Property or unreasonably disturb the use or occupancy of any occupant of the Property or (ii) damage the Property. Buyer shall schedule and coordinate all inspections, including, without limitation, any environmental tests, and other access with Seller and shall give Seller at least seventy-two (72) hours' prior notice thereof (which notice may be given by electronic mail). Seller shall be entitled to have a representative present at all times during each such inspection or other access. Buyer agrees to pay to Seller, in the event Buyer shall terminate this Agreement, on demand the cost of repairing and restoring any damage that Buyer or Buyer's Representatives shall cause to the Property (which for purposes hereof shall specifically exclude the mere discovery of pre-existing conditions). All inspection fees, appraisal fees, engineering fees and other costs and expenses of any kind incurred by Buyer or Buyer's Representatives relating to such inspection and its other access shall be at the sole expense of Buyer. Seller shall not charge any fees or impose any costs on Buyer relating to such inspection. Buyer shall keep all information obtained during its inspections and access to the Property confidential, subject to Buyer's right to disseminate such information to the Buyer Representatives or any other consultant or agent of Buyer. Prior to conducting any physical inspection or testing at the Property, other than mere visual examination, Buyer shall obtain, and during the period of such inspection or testing shall maintain, at its expense, commercial general liability insurance, including a contractual liability endorsement, and personal injury liability coverage, with Seller as an additional insured, from any insurer reasonably acceptable to Seller, which insurance policies must have limits for bodily injury and death of not less than One Million Dollars (\$1,000,000) for any one occurrence. Prior to making any entry upon the Property for purposes other than visual examination, Buyer shall furnish to Seller a certificate of insurance evidencing the foregoing coverages. The provisions of this Section 1.3(b) shall survive the Closing or any termination of this Agreement.

(c) Except as is expressly set forth in this Agreement to the contrary, Buyer is expressly purchasing the Property in its existing condition "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions and defects, and, except as is expressly set forth in this Agreement to the contrary, Seller has no obligation to determine or correct any such facts, circumstances, conditions or defects or to compensate Buyer for same. Except as expressly set forth in this Agreement to the contrary, Seller has specifically bargained for the assumption by Buyer of all responsibility to investigate the Property, laws and regulations, facts and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof. Buyer has, as of the date hereof, undertaken all such investigations of the Property, laws and regulations and other facts as Buyer deems necessary or appropriate under the circumstances as to the status of the Property and based upon same, except as is expressly set forth in this Agreement to the contrary, Buyer is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers and Buyer is and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property.

Section 1.4 Liability.

Except as specifically set forth herein, Buyer shall not assume and shall not be liable for, any debts, liabilities or obligations of Seller of any kind or nature, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, arising out of the transactions contemplated herein or any other transaction or event, including, but not limited to (the "Excluded Liabilities"): any (i) liabilities or obligations of Seller to any of its creditors, (ii) liabilities or obligations of Seller with respect to any acts, events or transactions occurring prior to, on or after the Closing Date, or (iii) any liabilities or obligations arising from the Ground Lease prior to the Closing Date. Unless specifically and unambiguously set forth herein to the contrary, Buyer is not the successor to liability of Seller and is not herein assuming any liability arising from, out of, or relating to, Seller's ownership or operation of the Property.

ARTICLE 2

PURCHASE PRICE; CLOSING;

Section 2.1 Purchase Price; Allocations.

(a) The aggregate purchase price for the sale and purchase of the Property (the "Purchase Price") shall be Eleven Million and 00/100 Dollars (\$11,000,000.00).

(b) The Purchase Price shall be paid by Buyer to Seller as follows:

(i) Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) (the "Deposit") within three (3) business days of the mutual execution of this Agreement by Buyer and Seller, paid by Buyer to Riverside Abstract LLC (the "Title Company") as escrow agent to be held in escrow and disbursed in accordance with the terms of this Agreement. The Deposit shall be credited towards the Purchase Price at Closing; and

(ii) Subject to any applicable adjustments, at the Closing, Buyer shall cause the delivery of the Purchase Price less the Deposit to Seller, by wire transfer of immediately available funds.

(c) The Deposit shall be held by the Title Company, as escrowee, in accordance with an escrow agreement attached hereto as Exhibit D. The Deposit shall be nonrefundable after the Due Diligence Expiration Date except as otherwise provided in this Agreement.

(d) Prior to the Due Diligence Expiration Date, Seller and Buyer shall exchange proposed allocations of the Purchase Price (together with any liabilities assumed, and any other amounts, that are treated as purchase price for federal income tax purposes) among the Real Property and the other assets acquired hereunder according to the relative fair market values of such assets on the respective Closing Date and in accordance with Section 1060 of the Code. If the parties are able to agree upon the allocation of the Purchase Price, the attached Schedule 2.1(d) of this Agreement shall be completed setting forth the agreed upon allocations and Buyer and Seller shall report and file all tax returns (including any amended tax returns and claims for

refund) consistent with such mutually agreed Purchase Price allocation, and shall take no position contrary thereto or inconsistent therewith (including in any audits or examinations by any taxing authority or any other proceedings). Buyer and Seller shall file or cause to be filed any and all forms (including U.S. Internal Revenue Service Form 8594), statements and schedules with respect to such allocation, including any required amendments to such forms. If, on the other hand, Buyer and Seller are unable mutually to agree upon the manner in which the Purchase Price should be allocated, any disputed aspects of such allocation shall be resolved by a nationally recognized independent accounting firm mutually acceptable to Buyer and Seller, which accounting firm shall be paid equally by Buyer and Seller. Buyer's and Seller's obligations under this paragraph shall survive Closing.

Section 2.2 Closing.

The closing of the transactions contemplated herein (the "Closing") shall take place through a so-called "Mail-Away" closing, it being understood that neither Seller nor Buyer nor their respective counsel need be physically present at Closing so long as all documents that are required to be delivered at Closing are fully executed, delivered in escrow to the closing agent and available on the date of the Closing. The Closing shall occur on or about sixty (60) days after the Due Diligence Expiration Date, subject to satisfaction of the conditions set forth in Article 7 below (the "Closing Date"); provided that in no event shall the Closing Date be less than five (5) business days after the License Confirmation (as defined in the OTA). Buyer shall have one option to extend the Closing Date for a period of thirty (30) days, which option may be exercised at least five (5) days prior to the then scheduled Closing by providing notice to Seller of such extension and delivering to the Title Company an additional deposit in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00), which shall be deemed as a part of the "Deposit" to be applied to the Purchase Price at Closing.

Section 2.3 Closing Matters.

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing:

(a) Buyer shall deliver to Seller the Purchase Price (less the Deposit) plus or minus any costs and prorations for which Seller and/or Buyer are responsible under the terms hereof, by wire transfer of immediately available funds in such amount to an account to be designated in writing by Seller;

(b) Seller and Buyer shall execute and deliver to each other a duly executed Assignment and Assumption of Ground Lease, in the form attached hereto as Exhibit 2.3(b), assigning to Buyer all of Seller's right, title and interest in and to the Ground Lease.

(c) Seller shall duly execute and deliver to Buyer the Deed properly executed in the form attached hereto as Exhibit 2.3(c), conveying marketable title to the Improvements in fee simple, free and clear of all liens and encumbrances except Permitted Liens, as a part of, and in connection with, the assignment of the Ground Lease;

(d) Seller shall execute and deliver to Buyer a bill of sale and general assignment (the "Bill of Sale") in the form attached hereto as Exhibit 2.3(d), conveying and assigning to Buyer the Personal Property and Intangible Property, including any Assumed Service Contracts (defined below);

(e) Seller and Buyer shall each deliver to the other a certificate in the form attached hereto as Exhibit 2.3(e) (a "Bring Down Certificate");

(f) Seller shall deliver a certification of non-foreign status, in the form required by the Code Withholding Section, signed under penalty of perjury. Seller understands that such certification will be retained by Buyer and will be made available to the Internal Revenue Service upon request;

(g) Seller and Buyer shall deliver any documents or affidavits reasonably requested by Title Company;

(h) Each party shall pay for any of the costs or prorations for which it is responsible pursuant to this Agreement;

(i) Seller shall execute and deliver to Buyer a certified copy of resolutions authorizing the sale of the Property and delivery of the documents set forth in this Section 2.4; and

(j) Each party shall provide such documents as reasonably requested by the Title Company or the other party in connection with the transactions contemplated herein.

Section 2.4 Closing Adjustments; Costs and Prorations.

(a) The Closing costs shall be paid as follows

(i) Buyer shall pay for the cost of its own due diligence;

(ii) Seller shall pay for the cost of the Policy (as hereinafter defined), but not including any extended coverage or endorsements thereto;

(iii) Buyer shall pay for the costs of any extended coverage or endorsements to the Policy, as well as the lender's title policy and related lender's fees and expenses, if any;

(iv) Buyer and Seller shall split equally all search, escrow and related fees of the Title Company;

(v) Buyer and Seller shall each pay their own attorneys' fees; and

(vi) All other closing costs, including transfer taxes, shall be in accordance with the local custom of the area in which the Property is located, as reasonably determined by the Title Company.

(b) Adjustments of revenue and expenses shall be made as follows, and the Purchase Price shall be adjusted accordingly:

(i) Real estate taxes, water, sewer and other utility charges and other assessments typically pro-rated between Buyers and sellers of commercial real estate in the county of situs of property will be prorated between Seller and Buyer as of the date of Closing based on the number of days of the applicable period that each party owns the Premises. To the extent practicable, all such prorations and payments will be made on the day of Closing, with the balance to be made as soon as practicable following the Closing upon delivery by Buyer or Seller, as applicable, of reasonable documentation of such payment to the other party.

(ii) Seller is not conveying to Buyer, but is expressly reserving and retaining, all of its right, title and interest in any claims for refund or other claims owned in connection with any real estate taxes or assessments which relate to a period or periods prior to the Closing. In the event that any proceeds from such proceedings which belong to Seller are paid to Buyer after the Closing, an amount equal to the amount of the proceeds which belong to Seller as aforesaid shall be held in trust for Seller and paid by Buyer to Seller within ten (10) business days of Buyer's receipt of such funds. Buyer shall not have any responsibility or liability to file any protest or institute any proceeding for reduction of real estate taxes for periods prior to the Closing. Any expenses of recovery for tax certiorari or other proceedings which benefit both Seller and Buyer shall be allocated in accordance with their respective percentage shares in the recovery. This Section 2.4(b) shall survive the Closing.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller hereby represents and warrants to Buyer as follows:

Section 3.1 Organization and Qualification.

Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Alabama, and has all requisite power and authority and has taken all action necessary to authorize the execution and delivery of this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

Section 3.2 Authority.

Seller has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Seller, the performance of this Agreement by Seller, and the consummation of the transactions contemplated hereby, have been duly authorized by Seller and no other proceeding on the part of Seller is necessary to authorize this

Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

Section 3.3 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Seller, and the performance of this Agreement by Seller and the consummation of the transactions contemplated hereby will not, conflict with or violate or constitute, with or without notice or the lapse of time or both, a breach of or default under: (i) any provision of United States federal, state, local or foreign law, statute, ordinance, rule, regulation, order, writ, judgment, injunction, decree, determination, or award of any court, governmental agency or instrumentality, (ii) any franchise, mortgage, deed of trust, indenture, agreement or (iii) any other instrument to which Seller is a party or by which any of the foregoing may be bound or to which Seller or any portion of the Property are subject.

(b) The execution and delivery of this Agreement by Seller and the performance of this Agreement by Seller and the consummation of the transactions contemplated hereby will not, with or without notice or the lapse of time or both, give to others any rights of termination, amendment, acceleration or cancellation of, or require payment under, or result in the creation of any lien, charge, encumbrance, security interest, mortgage, pledge, claim, option, lease, license, easement, liability or restriction of any kind whatsoever, direct or indirect, whether accrued, absolute, contingent or otherwise (collectively "Liens") or adversely affect any of the Property. Without limiting the generality of the foregoing, the execution and/or performance of this Agreement will not, with or without the giving of notice or the passage of time or both, create a right to accelerate or loss of rights under, or result in, cause or create any liability, negative reassessment or revaluation of any material assets or have any negative effect upon the value of the Property.

Section 3.4 Title.

(a) As used in this Agreement, "Permitted Liens" means: (i) all currently existing and future liens for unpaid real estate taxes and water and sewer charges not due and payable as of the date of the Closing, subject to adjustment as provided below in this Agreement; (ii) all present and future zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all governmental authorities having jurisdiction with respect to the Property, provided the same are not violated by, or materially interferes with, the current use of the Property or the Facility; (iii) minor variations between tax lot lines and lines of record title; (iv) all matters reflected in in the title commitment and not otherwise objected to by Buyer as provided in Article V hereunder; and (iv) possible encroachments or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, window sills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners and the like, if any, on, under or above any street or highway or any adjoining property, not to exceed three (3) feet.

(b) Seller is the true and lawful owner of, and owns all right, title and interest in and to, all of the Property, free and clear of all Liens (except for Permitted Liens). Upon the

sale of the Property to Buyer pursuant to this Agreement, all right, title and interest in and to all of the Property, free and clear of all Liens (except for Permitted Liens), will pass to Buyer on the Closing Date. Except Permitted Liens, no person or entity has any right to assert any Lien in any amount against the Property.

(c) Seller has not granted a purchase option, right of first refusal, or right to purchase, or any other rights with respect to, the Facility, the Purchased Property or any portion thereof to any Person.

Section 3.5 Brokers.

No person or entity is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Seller. If any fees or commissions are claimed or payable as a result of any person's claimed representation of Seller, the same shall be the Seller's sole responsibility.

Section 3.6 Environmental Matters.

(a) Seller has not received any written notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence or Release of any Hazardous Substance at the Property, which Hazardous Substances were allegedly manufactured, used, generated, processed, treated, stored, disposed or otherwise handled at, or transported or released from the Property, or regarding compliance with Environmental Laws. Seller has not received any written notice of any other claim, demand or action by any individual or entity alleging any actual or threatened injury or damage to any person or entity, property, natural resource or the environment arising from or relating to the presence or Release of any Hazardous Substances at, on, under, in, to or from the Property.

(b) For purposes of this Agreement, the term "Environmental Laws" shall mean any applicable statutes, ordinances, directives or other written, published laws, any written, published rules or regulations, orders, guidelines or policies, and any licenses, permits, orders, judgments, notices or other requirements issued pursuant thereto, enacted, promulgated or issued by any Governmental authority, relating to pollution or protection of public health or the environment, or to the identification, reporting, generation, manufacture, processing, distribution, use, handling, treatment, storage, disposal, transporting, presence, or Release of any Hazardous Substances. Without limiting the generality of the foregoing, Environmental Laws shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Clean Water Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, the Occupational Safety and Health Act, as amended, and all analogous laws enacted, promulgated or lawfully issued by any Governmental authority.

(c) For purposes of this Agreement, the term "Hazardous Substances" shall mean any pollutants, contaminants, substances, chemicals, carcinogens, wastes, dangerous wastes, or any ignitable, corrosive, reactive, toxic or other hazardous substances or materials, whether solids, liquids or gases (including, but not limited to, petroleum and its derivatives,

PCBs, asbestos, radioactive materials, waste waters, sludge, slag and any other substance, material or waste), as defined in or regulated by any Environmental Laws or as determined by any Governmental authority.

(d) For purposes of this Agreement, the term "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migration, dumping or disposing into the environment.

Section 3.7 Absence of Litigation.

Except as set forth in Exhibit 3.7, as of the date hereof, there is no claim, action, suit, administrative matter, arbitration, proceeding or investigation of any kind, at law, equity or admiralty (including actions or proceedings seeking injunctive relief), by or before any governmental authority pending or, to the knowledge of Seller, threatened against Seller or which pertains to the Property, other than claims which are covered by insurance, subject to customary deductibles.

Section 3.8 Condemnation.

There are no pending condemnation actions or special assessments of any nature with respect to the Property or any part thereof, and Seller has no knowledge of any such threatened or contemplated condemnation action or special assessment.

Section 3.9 Compliance with Laws.

To the Seller's knowledge, Seller and the Property are in compliance with all laws, rules, regulations, health and sanitation codes, zoning ordinances, environmental assessment and impact requirements and with the terms of all permits applicable to the Property.

Section 3.10 Insurance.

Seller has not received notice from any insurance company of any defects or inadequacies in the Property that would affect adversely its insurability or increase the cost of insurance. All existing insurance policies covering the Property shall be maintained by Seller in full force and effect until the Closing Date.

Section 3.11 Tax Returns.

All tax returns required of Seller for the Property have been filed or, if not now due, will be duly filed by Seller in a timely and accurate manner. All taxes shown on the returns as being due as of the Closing Date have been paid or will be paid in the ordinary course after Closing. Seller has not compromised any dispute involving the Property's tax liabilities.

Section 3.12 Ground Lease.

The Ground Lease is valid and in full force and effect and has not been further assigned, supplemented, modified or otherwise amended except as set forth in Schedule 3.12 attached hereto and each of the obligations on Seller's part to be performed to date under the Ground

Lease or under any other agreement described in Schedule 3.12 attached hereto have been performed.. Neither Seller, nor, to Seller's knowledge, the lessor under the Ground Lease, are in default of their respective obligations under the Ground Lease.

Section 3.13 Absence of Recent Changes.

Except as expressly provided in this Agreement or as set forth on Schedule 3.13, through the Closing Date, Seller has not and will use commercially reasonable efforts not to have:

(a) Except in the usual and ordinary course of business, consistent with past practice, and in an amount that is usual and normal incurred any indebtedness or other liabilities (whether accrued, absolute, contingent or otherwise), sold any of its assets;

(b) Except with respect to liens or encumbrances arising by operation of law, permitted or allowed any of the Property to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind;

(c) Written down the value of any of the Property, except for write-downs and write-offs in the ordinary course of business and consistent with past practice, none of which are material or revalued any of the Property;

(d) To the knowledge of Seller, entered into a material transaction pertaining to the Property other than in the ordinary course of business or made any change in any method of accounting or accounting practice; or

(e) Canceled, or failed to continue, insurance coverages pertaining to the Property.

Section 3.14 Financial Statements.

Seller will provide a profit and loss statement for the annual periods ending December 31, 2018, and December 31, 2019, as well as interim statements for the period ending August 31, 2020 (such unaudited financial statements being herein called "Seller Financial Statements"). To the knowledge of Seller, the Seller Financial Statements are materially true, complete and accurate, have been based upon the information contained in the books and records of Seller and present fairly the assets, liabilities and financial condition of Seller as at the respective dates thereof and the results of its operations for the periods ended at the respective dates thereof, in each case prepared in conformity with GAAP applied on a consistent basis throughout the periods involved and with prior periods, except for the profit and loss statement for the annual periods ending December 31, 2018, and December 31, 2019, the Seller Financial Statements are unaudited, and do not contain "audit adjustments" or footnotes. To the knowledge of Seller, the Seller Financial Statements do not contain any material inaccuracy and do not suffer from any material omissions in accordance with GAAP.

Section 3.15 Representation and Warranties on Closing Date.

The representations and warranties contained in this Article 3 shall be true and complete on the date hereof and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. This Article 3 shall survive Closing for a period of twenty four (24) months.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

Section 4.1 Organization and Authority.

Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York. Buyer has all requisite power and authority and has taken all action necessary to authorize the execution and delivery of this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

Section 4.2 No Conflict; Required Consents and Approvals.

(a) The execution and delivery of this Agreement by Buyer does not, and the performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby and thereby will not, (i) conflict with or violate any United States federal, state, local or foreign law, statute, ordinance, rule, regulation, order, judgment or decree applicable to Buyer or by or to which any of its properties or assets is bound or subject, or (ii) result in any breach of, or constitute a default (or an event that with notice or lapse of time or both would constitute a default) under, any Contracts to which Buyer is a party or by which any of its properties or assets is bound.

(b) The execution and delivery of this Agreement by Buyer does not, and the performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby and thereby will not, require Buyer to obtain any consent, approval, authorization or permit of, or to make any filing with or notification to, any court, administrative agency or commission or other governmental authority, or any third party.

Section 4.3 Brokers.

No person or entity is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Buyer. If any fees or commissions are claimed or payable as a result of any person's claimed representation of Buyer, the same shall be the Buyer's sole responsibility.

Section 4.4 Representation and Warranties on Closing Date.

The representations and warranties contained in this Article 4 shall be true and complete on the date hereof and as of the Closing Date with the same force and effect as though

such representations and warranties had been made on and as of the Closing Date. This Article 4 shall survive Closing for a period of twenty four (24) months.

ARTICLE 5

COVENANTS AND AGREEMENTS

Section 5.1 Searches and Survey.

(a) Buyer shall promptly order an examination of title with respect to the Real Property (the "Title Report"), issued by the Title Company, committing the Title Company to issue its current form of ALTA leasehold title insurance policy to Buyer, with standard exceptions and in the amount of the Purchase Price (the "Policy"), together with copies of all documents evidencing the items referred to as exceptions in the Title Report, and a new or updated survey of the Real Property (the "Survey"). Buyer shall cause a copy of the Title Report and Survey to be forwarded to Seller's attorney promptly upon receipt. Buyer further agrees that no later than the date that is ten (10) Business Days after its receipt of both the Title Report and the Survey (the "Title Report Objection Date"), Buyer shall furnish to Seller's attorney a writing (the "Title Report Objection Notice") specifying any exceptions to title to the Property set forth in the Title Report or Survey that Buyer objects to or believes it is not required to accept title, other than the Permitted Liens. Buyer's failure to deliver the Title Report Objection Notice to Seller on or before the Title Report Objection Date shall constitute Buyer's irrevocable acceptance of the Title Report and Buyer shall be deemed to have unconditionally waived any right to object to any matters set forth therein. Receipt by Seller's attorney of the Title Report shall constitute a Title Report Objection Notice of the defects contained therein. If, after giving the Title Report Objection Notice to Seller, Buyer learns, through continuation reports, title updates or other written evidence, of any title defects that Buyer objects to or subject to which Buyer believes it is not required to accept title, Buyer shall give written notice thereof to Seller within five (5) Business Days after the date Buyer learns of same, and Buyer shall be deemed to have unconditionally waived any such matters as to which it fails to give such written notice to Seller within such five (5)-Business Day period.

(b) In the event Buyer shall notify Seller of objections to any item contained in the Title Report or Survey, or to any matter shown on a continuation report or an update of the Survey, Seller shall have the right, but not the obligation, to elect to attempt to cure such objections. Within five (5) Business Days after Buyer's notice of objections has been given to Seller, Seller shall notify Buyer in writing whether Seller has elected to attempt to cure such objections. If Seller fails to give Buyer such notice of election, then Seller shall be deemed to have elected not to attempt to cure such objections. If Sellers elect to attempt to cure any such objections, Seller shall have until the Closing Date to attempt to remove, satisfy or cure the same and for this purpose Seller shall be entitled to a reasonable adjournment of Closing if additional time is required, but in no event shall the adjournment exceed thirty (30) days in the aggregate after Closing Date. If Seller elects (or is deemed to have elected) not to attempt to cure any objections specified in Buyer's notice, or if Seller, having initially elected to attempt to cure any objection, later notifies Buyer that Seller cannot cure the same, despite their commercially reasonable efforts, by the date for Closing (or any date to which Closing has been adjourned), then Buyer shall have the following options: (x) to accept a conveyance of the Property subject to any matter objected to by Buyer which Seller is

unable to cure or does not cure without any reduction of the Purchase Price; or (y) to terminate this Agreement by giving written notice thereof to Seller and, upon delivery of such notice of termination, this Agreement shall terminate, the Deposit shall be returned to Buyer and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Seller notifies Buyer that Seller does not intend to attempt to cure any title objection or are deemed to have so notified Buyer; or if, having initially elected to attempt to cure any objection, Seller later notifies Buyer that Seller cannot cure the same despite their commercially reasonable efforts, then Buyer shall, within five (5) Business Days after such notice has been given, notify Seller in writing whether Buyer shall elect to accept the conveyance under clause (x) above or to terminate this Agreement under clause (y) of above. If Buyer fails to give Seller notice of its election, then Buyer shall be deemed to have elected to terminate this Agreement under clause (y) above.

(c) Notwithstanding anything to the contrary in the foregoing, Seller shall, at or prior to the Closing, pay, discharge or remove of record or cause to be paid, discharged or removed of record at Seller's sole cost and expense all of the following items: (a) Voluntary Liens (defined below) and (b) other liens encumbering the Property (including judgments) (other than open real estate taxes, water and sewer charges that are subject to adjustment in accordance with Section 6 hereof) that (i) are in liquidated amounts and that may be satisfied solely by the payment of money (including the preparation or filing of appropriate satisfaction instruments in connection therewith) and (ii) do not exceed in the aggregate \$250,000.00. The term "Voluntary Liens" as used herein shall mean liens and other encumbrances that Seller has knowingly and intentionally suffered or allowed to be placed on the Property, including, without limitation, mortgages, fines and penalties associated with violations of building, fire, housing and similar laws, federal, state and municipal tax liens and mechanic's liens, but shall expressly exclude judgments.

Section 5.3 Access.

(a) Seller shall provide Buyer and its authorized representatives reasonable access to the Property during regular business hours and upon reasonable notice, and Seller shall promptly furnish to Buyer such information as Buyer may from time to time reasonably require with respect to the Property. Seller shall upon request, during regular business hours and upon reasonable notice permit Buyer to conduct on-site due diligence investigations of the Property as set forth above. No investigation by Buyer or its representatives hereunder shall affect or be deemed to modify any representation or warranty made by Seller herein.

Section 5.3 Confidentiality.

Each party acknowledges that they will be providing each other with information that is non-public, confidential or proprietary in nature (the "Proprietary Information"). Each party agrees and will each cause its respective affiliates, counsel, accountants, representatives, agents and employees (collectively "Affiliates") to agree, to keep all such Proprietary Information confidential. For purposes of this Agreement, Proprietary Information shall not include information that: (i) becomes generally available to the public absent any breach of this Agreement; (ii) was available on a non-confidential basis to any party or any of such party's

Affiliates from a third party prior to its disclosure pursuant to this Agreement; (iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential; or (iv) was already known or independently developed by the receiving party.

Section 5.4 Public Announcements.

No party shall issue any public announcement, report, statement or press release or otherwise make any public statement regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other parties, except as otherwise required by law.

Section 5.5 Further Assurances.

At any time and from time to time after the Closing, Seller shall, at the reasonable request of Buyer, execute and deliver any further deeds, bills of sale, endorsements, assignments, and other instruments of conveyance and transfer, and take such other actions as Buyer may reasonably request in order (a) to more effectively transfer, convey, assign and deliver to Buyer, and to place Buyer in actual possession and operating control of, and to vest, perfect or confirm, of record or otherwise, in Buyer all right, title and interest in, to and under the Property, (b) to assist in the collection or reduction to possession of any and all of the Property or to enable Buyer to exercise and enjoy all rights and benefits with respect thereto, or (c) to otherwise carry out the intents and purposes of this Agreement.

Section 5.6 No Negotiation.

Until such time as this Agreement may be terminated pursuant to Section 8.1, Seller shall not directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, or discuss or negotiate with any person or entity other than Buyer or its representatives relating to an acquisition or other disposition of Property.

Section 5.7 Conduct of Business.

Between the date hereof and the Closing Date, except as otherwise expressly approved in writing by Buyer, Seller shall conduct its business with respect to the Property only in the ordinary course thereof consistent with past practice and in such a manner that the representations and warranties contained in this Agreement shall be true and correct at and as of the Closing Date (except for changes contemplated, permitted or required by this Agreement) and so that the conditions to be satisfied by Seller at the Closing shall have been satisfied. Seller will, consistent with conducting its business with respect to the Property in accordance with reasonable business judgment, preserve the Property intact.

Section 5.8 Service Contracts.

(a) Set forth on Exhibit 5.8 is a true, correct and complete list of all the service, maintenance, equipment, supply or operating contracts, management agreements or other agreements, however termed, written or oral, affecting the use, ownership, maintenance or operation of all or any part of the Property, including commercial leases and equipment leases

(the "Service Contracts") which may be binding on Buyer or the Property after the Closing. Seller has not received any written notice from any vendor under any of the Service Contracts claiming that Seller is in default of its obligations under any of the Service Contracts and to Seller's knowledge, Seller is not in breach of or in default under the Service Contracts.

(b) All Service Contracts entered into after the date hereof shall be subject to review by Buyer, and Seller shall promptly notify Buyer thereof. After the Due Diligence Expiration Date, Seller shall not enter into any new, or modification of, Service Contracts which, as entered into or modified, would continue for a period subsequent to the Closing Date, without the prior written approval of Buyer, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding anything contained herein to the contrary, Buyer shall notify Seller in writing, not less than ten (10) days prior to the Closing Date, which, if any, of the Service Contracts Buyer wishes to assume at Closing and such Service Contracts shall be assigned to Buyer at Closing (the "Assumed Service Contracts"). Seller shall terminate, at Seller's sole cost and expense and effective as of the Closing Date, all other Service Contracts not specified in Buyer's notice.

ARTICLE 6

CASUALTY; CONDEMNATION

Section 6.1 Fire or Other Casualty.

If, subsequent to the date hereof and on or before the Closing Date, all or any material portion of the Real Property shall be destroyed or damaged by one or more incidents of fire or other casualty, then Seller shall promptly give Buyer notice of such occurrence, and Buyer shall, within fifteen (15) days after receipt of such notice, elect by written notice to Seller to either (y) terminate this Agreement, in which event the Deposit shall be returned to Buyer, this Agreement shall be deemed null and void and all further rights and obligations of the parties hereunder shall terminate (other than those matters which, pursuant to the terms of this Agreement, expressly survive any termination of this Agreement); or (z) proceed to close the transaction contemplated hereby as scheduled with no adjustment to the Purchase Price, (provided, however, that Buyer shall have the right to participate with Seller in the adjustment and settlement of any insurance claim relating to said damage), and Seller shall, at Closing, (I) assign to Buyer all of Seller's interest in any then unpaid insurance proceeds claimed with respect to said loss or damage, and (II) pay to Buyer all insurance proceeds theretofore paid to Seller with respect to same and not theretofore used for restoration or repair, plus any deductible amount. Buyer's failure to give notice within the time period specified above shall be deemed to be Buyer's election of option (y) above. For purposes of this Section 6.1, damage to the Real Property shall not be deemed to be "material" unless the cost of restoring damage to the Real Property, in the aggregate, exceeds Three Hundred Thousand and No/100 Dollars (\$300,000.00) or such damage results in a reduction in the number of beds at the Facility. With respect to any such damage which is not material, Buyer shall have no right to terminate this Agreement provided that closing and insurance adjustment procedures described in clause (z) above shall still apply.

Section 6.2 Eminent Domain.

If, subsequent to the date hereof and on or before the Closing Date, any proceeding which shall relate to the proposed taking of any material portion of the Real Property by condemnation or eminent domain is instituted or commenced, then Seller shall promptly give Buyer notice of such proceeding, and Buyer shall, within fifteen (15) days after receipt of such notice, elect by written notice to Seller to either (y) terminate this Agreement, in which event the Deposit shall be returned to Buyer, this Agreement shall be deemed null and void and all further rights and obligations of the parties hereunder shall terminate (other than those matters which, pursuant to the terms of this Agreement, expressly survive any termination of this Agreement); or (z) proceed to close the transaction contemplated hereby as scheduled with no adjustment to the Purchase Price, provided, however, that, at Closing, Seller shall (I) credit to Buyer any condemnation proceeds theretofore paid to Seller with respect to the taking (and not theretofore used for restoration or repair), and (II) assign to Buyer all of Seller's right to any other proceeds therefrom. Buyer's failure to give notice within the time period specified above shall be deemed to be Buyer's election of option (y) above. For purposes of this Section 6.2, a taking of the Real Property shall not be deemed to be "material" unless the value of the portion of the Real Property taken exceeds, in the aggregate, Three Hundred and No/100 Dollars (\$300,000.00), or the current use thereof is materially affected (including without limitation any reduction in the number of licensed beds at the Facility). With respect to any such a taking of the Real Property which is not material, Buyer shall have no right to terminate this Agreement provided that closing procedures described in clause (z) above shall still apply.

ARTICLE 7

CONDITIONS

Section 7.1 Conditions Precedent to Obligations of Buyer.

The obligations of Buyer to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by applicable law, in a written instrument executed and delivered by Buyer:

(a) Title Insurance. The Title Company shall be irrevocably committed to deliver the Policy at regular rates and without additional premium, unless Seller is willing to pay same, in the form of Buyer's approved proforma policy, subject only to the Permitted Liens and as otherwise provided in this Agreement.

(b) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date.

(c) Agreements and Covenants. Seller shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(d) Closing Documents. Seller shall have delivered all of the items required to be delivered by it pursuant to Section 2.3.

(e) No Order. No litigation or other proceeding by or before any governmental authority shall have been instituted, and no governmental authority, including any federal or state court of competent jurisdiction, shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, judgment, decree, injunction or other order (whether temporary, preliminary or permanent), which, in either case, is in effect and which has the effect of making the transactions contemplated by this Agreement illegal, or otherwise restrains consummation of the transactions contemplated hereby, or that could reasonably be expected to affect Buyer's ownership and control or rights to use or otherwise receive the benefit of the Property following the Closing Date (collectively, an "Order").

(f) No Material Adverse Change. Since the date of execution of this Agreement, there shall have occurred no event, circumstance or other change in the Property that, alone or in the aggregate, has had or, in the judgment of Buyer, reasonably could be expected to have, a material adverse effect on the Property.

(g) Simultaneous Closing with OTA. The Closing shall take place simultaneously with the closing under the OTA and all of New Operator's conditions to closing set forth therein shall have been satisfied.

(h) Licensure. New Operator shall have received the License Confirmation (as defined in the OTA).

(i) COVID-19. No resident or employee has tested positive for COVID-19, and no other individual who has been present in the Facility within thirty (30) days prior to Closing tests positive for COVID-19. In the event that either Buyer or New Operator's financing sources refuse to provide funding for the transactions contemplated herein as a result of concerns related to COVID-19, Buyer shall have the option to terminate this Agreement and receive a return of the Deposit.

(j) Reserved.

(k) Consent to Assignment. The lessor under the Ground Lease shall have consented to the assignment of the Ground Lease and the transactions contemplated in this Agreement and the OTA.

Section 7.2 Conditions to Obligations of Seller.

The obligations of Seller to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing Date of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by applicable law, in a written instrument executed and delivered by Seller:

(a) Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date.

(b) Agreements and Covenants. Buyer shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) Closing Documents. Buyer shall have delivered all of the items required to be delivered by it pursuant to Section 2.3.

(d) No Order. There shall be no Order.

(e) Simultaneous Closing with OTA. The Closing shall take place simultaneously with the closing under the OTA and all of Seller's conditions precedent set forth therein shall have been satisfied.

(h) Consent to Assignment. The lessor under the Ground Lease shall have consented to the assignment of the Ground Lease and the transactions contemplated in this Agreement and the OTA.

ARTICLE 8

TERMINATION; INDEMNIFICATION

Section 8.1 Termination.

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by written consent of Seller and Buyer;

(b) by Buyer, if there shall have been any breach by Seller of any of its representations, warranties, covenants and agreements set forth herein, which breach is not cured within five (5) days after Seller receives written notice thereof; or

(c) by Seller, if there shall have been any material breach by Buyer of any of its representations, warranties, covenants and agreements set forth herein, which breach is not cured within five (5) days after Buyer receives written notice thereof.

Section 8.2 Procedure and Effect of Termination.

(a) In the event of termination of this Agreement pursuant to this Article 8, the terminating party shall give written notice thereof to the other party and this Agreement shall terminate, and the transactions contemplated hereby shall be abandoned, without further action by any of the parties.

(b) If this Agreement is terminated as provided herein, no party shall have any liability or further obligation hereunder to any other party to this Agreement, except (i) as specifically provided in this Agreement and (ii) that nothing herein will relieve any party from liability for any breach of this Agreement.

(c) A default by Seller under the OTA shall be a default of Seller hereunder and entitle Buyer to terminate this Agreement pursuant to 8.1(b) above, and a default by New Operator under the OTA shall be a default of Buyer hereunder and entitle Seller to terminate this Agreement pursuant to 8.1(c).

(d) If this Agreement is terminated by Buyer under Section 8.1(b), then Buyer shall be entitled to a return of the Deposit. Alternatively, Buyer may pursue a claim for specific performance. Buyer may also terminate this Agreement as specifically provided in this Agreement.

(e) If this Agreement is terminated pursuant to Section 8.1(c), then Seller's sole remedy shall be to retain the Deposit as Seller's liquidated damages. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE ASSETS PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE EFFECTIVE DATE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 8.2(d) REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.

Section 8.3 Indemnification.

(a) Buyer shall indemnify, save, protect, defend and hold harmless Seller and its respective employees, affiliates, managers, partners, officers, directors and agents, from and against all claims, liabilities, losses, damages, demands and causes of action of any nature whatsoever (including demands and causes of action relating to injury or death to persons or loss of or damage to property), and all costs and expenses (including penalties and reasonable attorneys' and other professional fees and disbursements incurred in the investigation or defense of any such claims, or in asserting, pursuing or enforcing any such claims), whether or not resulting from third-party claims (collectively, "Losses") arising from, out of, or relating to (i) operation of the Property by Buyer on or after the Closing Date, (ii) Buyer's use or occupancy of the Property or the condition thereof on or after the Closing Date, (iii) any liabilities and obligations arising from the Ground Lease from and after the Closing Date, and (iv) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the closing deliveries set forth in Section 2.3 hereof.

(b) Seller agrees to indemnify, save, protect, defend and hold harmless Buyer and its employees, affiliates, managers, members, officers, directors and agents, from and against

all Losses arising from, out of, or relating to (i) operation of the Property by Seller prior to the Closing Date, (ii) Seller's use or occupancy of the Property or the condition thereof prior to the Closing Date, and (iii) the Excluded Liabilities, (iv) any liabilities and obligations arising from the Ground Lease prior to the Closing Date, and (v) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the closing deliveries set forth in Section 2.3 hereof.

(c) In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Agreement ("Indemnitee's Claim") is made against or received by any indemnified party (hereinafter "Indemnitee") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "Indemnitor") in writing within thirty (30) calendar days of Indemnitee's receipt of written notice of said Indemnitee's Claim, provided, however, that Indemnitee's failure to timely notify Indemnitor of Indemnitee's receipt of an Indemnitee's Claim shall not impair, void, vitiate or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee's delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor's right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee's Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee's Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within two (2) calendar days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee's Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee's Claim without Indemnitor's prior written consent. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee's Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee's Claim, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an "Indemnification Default") and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense, including but not limited to attorneys' fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee's Claims and the reasonable costs, expenses and attorneys' fees incurred by Indemnitee to defend, settle or compromise said Indemnitee's Claims.

(d) This Section 8.3 is effective from and after the Closing. Except as otherwise provided in this Agreement, the remedies provided for in this Section 8.3 shall be exclusive and shall preclude assertion by any Indemnitee of any other rights or the seeking of

any and all other remedies against the Indemnitor for claims subject to Section 8.3 of this Agreement. Each Party hereby waives any provision of law to the extent that it would limit or restrict the agreement contained in this Section 8.3.

(e) The parties shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder, including by making commercially reasonable efforts to mitigate or resolve any such claim or liability. Each party shall use commercially reasonable efforts to address any claims or liabilities that may provide a basis for an indemnifiable claim hereunder such that each party shall respond to any claims or liabilities in the same manner it would respond to such claims or liabilities in the absence of the indemnification provisions of this Agreement. In the event that any party shall willfully fail to make such commercially reasonable efforts to mitigate or resolve any claim or liability, then notwithstanding anything else to the contrary contained herein, the other party shall not be required to indemnify any person for any Loss that could reasonably be expected to have been avoided if such party, as the case may be, had made such efforts.

(f) All indemnification obligations of Seller and Buyer under this Agreement shall survive the Closing Date and shall continue in effect for a period of twenty four (24) months after the Closing Date; provided that if there is an Indemnitee's Claim made prior to the twenty four (24) month anniversary of the Closing Date, such indemnification obligation shall continue to survive until the final, non-appealable resolution of such Indemnitee's Claim.

(g) The foregoing to the contrary notwithstanding, all indemnification obligations relating to the Recapture Claims (as defined in the OTA) and any other Losses relating to the Medicaid and Medicare programs shall survive for a period of thirty-six (36) months.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Payment of Expenses.

Whether or not the transactions contemplated by this Agreement are consummated, each party shall pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the transactions contemplated hereby.

Section 9.2 Entire Agreement; Assignment; Etc.

This Agreement constitutes the entire agreement, and supersedes all other agreements, understandings, representations and warranties, written, oral, electronic, or otherwise, between the parties with respect to the subject matter hereof, and is not intended to create any obligations to, or rights in respect of, any persons and entities other than the parties. This Agreement shall not be assignable by operation of law or otherwise. Notwithstanding the foregoing, Buyer shall have the right, without Seller's consent, but upon notice to Seller at least five (5) days prior to the Closing, to assign this Agreement to its affiliate.

Section 9.3 Severability.

If any term or other provision of this Agreement, or any portion thereof, is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement, or remaining portion thereof, shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any such term or other provision, or any portion thereof, is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are consummated to the fullest extent possible.

Section 9.4 Modification or Amendment.

The parties may modify or amend this Agreement at any time, only by a written instrument duly executed and delivered by each party.

Section 9.5 Construction of Agreement.

The parties to this Agreement acknowledge that each of them has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against a party that drafted it has no application and is expressly waived.

Section 9.6 Notices.

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the first business day after timely delivery to Federal Express or other reputable overnight courier service for next business day delivery, on the fifth business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number or email specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

(a) If to Buyer, to:

Mobile Nursing Operations, LLC
145 N. Highland Drive
Many, LA 71449
Attn: Jack Sanders
Phone: (318) 590-0007
Email: jacksanders@trustcaremanagement.com

with a copy to: Koss & Schonfeld, LLP
90 John Street – Suite 503
New York, NY 10038
Attn: Allen Koss Esq.
Email avk@kandsllp.com
Phone: (212) 796-8915
Fax: (212) 401-4757

(b) If to Seller, to:

with a copy to: Haskins Jones, LLC
2805 2nd Avenue South, Suite 200
Birmingham, AL 35244
Attn: Haskins Jones
Phone: (205) 203-4631
Email: hwj@haskinsjones.com

No provision of this Agreement, including this Section, shall be deemed to constitute consent to the manner and address for service of process in connection with any legal proceeding (including such arising out of or in connection with this Agreement), which service shall be effected as required by applicable law.

Section 9.7 Failure or Delay Not Waiver; Remedies Cumulative.

No failure or delay on the part of any party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 9.8 Governing Law; Consent to Jurisdiction.

This Agreement shall be governed by and construed in accordance with the law of the State of Alabama, without regard to the conflicts of laws principles thereof. Each of the parties (a) consents to submit itself to the personal jurisdiction of the state and federal courts having such jurisdiction with venue in where the Property is located in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal or state court sitting in the State of Alabama or a Alabama state court, in each case located in the county in which the Property is located. Each of the parties further irrevocably unconditionally waives and agrees not to plead or claim any such action or proceeding brought in any such court has been brought in an inconvenient forum.

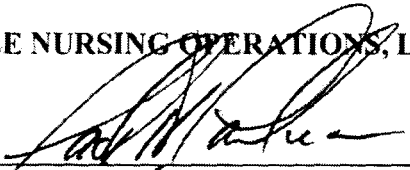
Section 9.9 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MOBILE NURSING OPERATIONS, LLC

By: 
Name: Jack H. Sambucus
Title: Manager

ESSENTIAL HEALTHCARE AFFILIATES, LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MOBILE NURSING OPERATIONS, LLC

By: _____

Name: _____

Title: _____

ESSENTIAL HEALTHCARE AFFILIATES, LLC

By:  _____

Name: Shalom Lerner
 Manager

Title: _____

Exhibit A

Legal Description

Beginning at a point on the North side of Springhill Avenue 100 feet West of the Northwest corner of Springhill Avenue and Louiselle Street, said point being the Southwest corner of Lot 1, Block 2 of Louiselle Second Addition, as recorded in the Office of the Judge of Probate of the County of Mobile in Deed Book 125 N.S., Page 280; thence run northwardly along the West line of Lot 1, Block 2 of the above mentioned subdivision, 175.45 feet to a point: said point being on the South line of Lot 3, Block 2 of the above mentioned subdivision; thence run westwardly along the South line of Lot 3, Block 2 of the above mentioned subdivision 50 feet to a point; said point being the Southwest corner of Lot 3, Block 2 of the above mentioned subdivision; thence run northwardly along the West line of Lots 3,4 and 5, Block 2 of the above mentioned subdivision 161.50 feet to a point; thence run westwardly with an enclosed angle of 86 degrees 39 minutes 135.26 feet to a point; thence run southwardly with an enclosed angle of 92 degrees 45 minutes a distance of 336.93 feet to a point; said point being on the North side of Springhill Avenue: thence run eastwardly along the North side of Springhill Avenue 181.82 feet to the point of beginning.

Together With a reciprocal, non-exclusive surface easement for ingress and egress over and upon the North 25 feet of Lot 5 in Block 2 of Louiselle Second Addition, according to plat thereof recorded in Deed Book 125 N.S., Page 280 of the records in the Office of the Judge of Probate Court of Mobile County, Alabama.

Exhibit B

OTA

Exhibit C
Due Diligence Materials

DUE DILIGENCE MATERIALS

PLEASE LABEL THE FILES BASED ON THE ITEMS IN DUE DILIGENCE LIST. FOR INSTANCE ITEM NUMBER 1(u) SHOULD BE LABELED AS "1(u) Description of resident trust fund policies and procedures"

All the DD items required in electronic format (pdf, excel etc)

1) Financial

- a) Facility Level (Internal) Financial Statements (Income Statement, Historical Income Statement (by month if available), Balance Sheets, Detailed Schedules etc. for Current YTD and 3 Prior Years
- N/A b) Financial Statements prepared by External CPA Accounting firm for 3 years
- N/A c) Monthly census days and average daily census by payor type for the same periods as the statements covered above (a)
- d) Copies of management letter or other recommendation issued by outside auditors in connection with the past 2 years completed audit reports or any other recommendations issued by accountants or consultants regarding related to reimbursement, accounting or tax issues
- e) Current accounts receivable aging
- f) Current accounts payable aging
- g) Most current Medicaid rate letter and rate setting printout (complete detail)
- h) All Medicaid/Medicare audits (including case-mix audits and integrity audits) (including any correspondence with any state or federal fiscal intermediaries)
- i) All Medicaid/Medicare Cost Reports for the last 3 years
- j) Sales and use tax returns for the last 3 years
- k) Income Tax Returns for the last 3 years
- l) Description of any special units and whether they are licensed as such
- m) Description by facility of ancillary services offered and which companies offer such services (day care, respite, hospice)
- n) Summary of rates and copies of any managed care, VA and other insurance contracts
- o) List of area competitors
- p) Breakdown of residents by age (<30, 30-64, 65-74, 75-84, 85-94>95)
- q) Samples of resident contracts in effect at the facilities (if one master contract, we need only the one)
- r) Advertising brochures and other advertising media. All general marketing brochures or other materials describing programs and services
- s) Payroll summary showing annual payroll by facility by Workers comp category
- t) Most recent payroll tax return(s) and also Payroll Tax Returns for the last 3 years
- u) Description of resident trust fund policies and procedures
- N/A v) Copies of Resident Funds audits for the past 3 years
- N/A w) ~~Detail on Medicaid Provider Tax Payments made and received in the past 3 years including any payment notices or demands for payment received from the Missouri dept of public welfare.~~

2) Physical Plant/Capital Expenditures

- a) Summary of Capital expenditures including building improvements and additions/replacements to furniture, fixtures and equipment during period covered by "a" in section 1 above (fixed asst lapsing schedule)
- N/A b) Planned / Required Capital Improvements

- w/r*
- c) Current capital budget (for current and any future period)
 - d) Most recent life safety code surveys
 - e) Summary of any life safety code waivers
 - f) Copies of any violations or correspondence regarding any potential violations of building code or ~~fire~~ requirements
 - g) Copies of any reports regarding the structural and mechanical condition of the property, including the foundation, exterior walls, roof and HVAC
 - h) ~~Copies of any building inspections and reports performed or recommendations made by internal staff or independent third parties including lenders, insurers or owners~~
 - i) Copies of any correspondence or notices regarding violations or enforcement of environmental laws or regulations affecting the facility (including any correspondence or notices regarding any neighboring property)
 - j) Copies of real estate tax bills for the last 5 years including any notices of assessment or change in assessment
 - k) Copies of personal property tax bills for the last 5 years including any notices of assessment or change in valuation
 - l) Copy of any former appraisals, any environmental reports – if within 5 years
 - m) Copy of any licenses or permits required by local, state, or federal entities relating to the physical plant or real property (i.e. Health departments, EPA etc.)
 - n) Survey Plats / Existing Surveys
 - o) Facility floor plans (~~showing the location of all licensed beds and the designation of each bed~~)
 - p) Copies of Current and last year's insurance applications for property, casualty, professional, and general liability insurance – **if preceding not attainable provide the following:**
 - i) Building square footage
 - ii) Land Area
 - iii) Flood zone designation
 - iv) Year built
 - v) Number of stories
 - vi) Basement – yes/no
 - vii) Type of construction (building, wiring, roof, plumbing(pvc/iron/cooper)
 - viii) Boiler – yes/no
 - ix) Type, age and description of fire protection system/sprinkler system
 - x) Date of any additions to original structure
 - xi) Description of security system (locked wings, "wander guard" type systems)
 - q) Copies of most recent fire marshal, elevator or other municipal inspections and/or approvals
 - r) Evacuation and emergency policies and procedures
 - s) Copies of all building plans
 - t) Inventory of personal property to be transferred in connection with the transaction
 - u) List of personal property excluded from the transaction (e.g., cash, cash equivalents)
 - v) Schedule of licenses, permits, certificates and compliance letters issued by any government or quasi-governmental agency

NOT SURE

NOT RECALC

3) Insurance/Risk Management

- a) Existing Title Policies
- b) Copies of all insurance certificates – is coverage occurrence or claims made
- c) Loss runs for 5 years for each of the above insurance types
- d) Most recent copies of all medical records inquiries for the last 5 years
- e) ~~Copies of all quality assurance committee reports for the last 5 years~~
- f) Obtain Forms 671, 672 and 802
- g) Facility licenses and CLIA certificates
- h) ~~Description of risk management program~~
- i) Facility smoking policies

NOT RECALC

j) ~~Description of transportation and associated policies~~

4) Material Contracts (if written contracts are not available, list contractor name and general terms of se

a) Copies of all building, equipment, and ~~vehicle leases currently in effect.~~

b) Hospital transfer agreements

c) Medical Director

d) Dietician

e) Therapy Services

f) Pharmacy

g) Medical supplies

h) Durable medical equipment

i) Part B billing and supplies

j) Other medical services

i) Dental

ii) Podiatry

iii) Psychologist

iv) Chiropractic

v) Other

k) Laboratory

l) Ambulance

m) X-Ray

n) Beauty/Barber shop

o) All minor equipment leases

i) Telephones and pagers

ii) Photocopiers

iii) Computers (including software)

iv) Dishwashers

v) Laundry

vi) Other

p) Major supply companies

i) Food

ii) Solid waste disposal

iii) Medical waste disposal

iv) Vending

v) Housekeeping

vi) Laundry

q) Management Contracts (if applicable)

r) Any other contract in which would result in payments greater than \$25,000 per year

s) Utility procurement

t) Oxygen; equipment & supply

u) GPO memberships (Group Purchasing Organizations)

v) List of all utility vendors and contact information

w) ~~Copy of POA letter for utility companies~~

x) Credentialing and insurance requirements for Medical Director and other contractors

NONE y) ~~Description of vehicles included in the sale (make, model, year and mileage); confirm no liens, etc~~

z) All other Operating Contracts not mentioned above

5) Clinical

- a) Survey history - 3 years
- b) Complaint history for the last year and current year
- c) All correspondence related to any admission bans, payment bans, threatened de-certification or CMP's within in the last 18 months
- W/IT* d) ~~Hours per patient day (HPPD) report for the whole facility~~
- e) List of all accreditations currently held and a copy of all letters for accreditation, last three survey reports from accreditation organizations (non state of HCFA), if applicable.
- f) Agency utilization, showing both hours and dollars
- g) Clinical indicators with the following items:
 - i) Number of pressure ulcers?
 - ii) How many are in house acquired? And what stages are they?
 - iii) Number of falls in the last month?
 - iv) Number of falls with fracture in the last month?
 - v) Number of catheters?
 - vi) Number of nosocomial infections?
 - vii) Number of restraints and what types?
 - viii) Number of residents with weight loss in the last month?
 - ix) Numbers of psychotropic medications are used?
- h) A current Quality Indicators report.
- i) A report of all elopements including the elopement investigation for the last 3 months.
- j) A report of all incidents of alleged abuse or neglect that were reported to the state for the last 1 Year.
- k) A log of all incident reports written for the last 3 months.
- l) Current CMI report from system or state agency
- m) A current MDS validation log showing timeliness of assessment submission.
- n) Clinical and dietary equipment needing replaced, renewed, updated, or purchased, for safe operation of the facility. (That is missing or must be replaced)
- ~~o) A list of potential claims, such as a direct threat to sue, a request for records, residents who left because of dissatisfaction, injuries and illnesses to residents attributable to facility staff or physical plant~~

6) Human Resources

- a) Copy of employee handbook and employee procedure manual.
- b) Copy of any union contracts / collective bargaining agreements (if applicable)
- c) Details of shift premium/differentials, attendance bonus, recruitment bonus, shift pick up bonus, or any other special pay policies.
- d) If COBRA is administered by an outside party, who is it? Listing of employees currently on COBRA
- e) Provide information on employees currently out on Leave of Absence or FMLA leave. Include: When is that leave expected to end? What position does that employee hold?
- f) List any outstanding EEO/Civil Rights/Wage and Hour/OSHA charges or employment litigation. What is the current status? Any threatened litigation?
- g) Summary of benefit plans : medical, dental, vision, pharmacy, group life, supplemental life, and supplemental disability programs
 - i) Summary Plan Description with carrier name and plan detail
 - ii) Employer/Employee premium totals and splits
 - iii) How many employees are enrolled in each type and line of coverage, as well as by benefit option (single, ee+1, family, etc.)

iv) Census of the employees on the medical plan with their Date of Birth, Gender and Resident Zip Code for each employee with their coverage status (EE, EE&SP, FAM).

Not available

v) Claims experience for 5 years

NA

h) Description of 401k or other retirement or pension benefits

i) Summary Plan Description with carrier name and plan detail

ii) Employer contributions or matching program details

i) ~~Current disciplinary policy, drug testing policy, if separate from employee handbook~~

NA

j) List of all demands by groups of employees or other indications of general employee unrest or possible attempts to unionize. Include a list of all labor organizations that have sought to represent employees during the past three years, including an indication as to the steps each organization has taken to organize the employees, the dates on which those were taken, the groups of employees involved, and whether the union filed a representation petition with the National Labor Relations board.

k) Worker's Comp: Loss runs and claims for the last 5 years.

l) ~~Worker's Comp experience modifiers for 2007 through current and what they are projected to be next year? Current premiums?~~

m) Last 2 years EEO-1 reports

NA

n) ~~Copy of any employment contracts or non-competes in effect.~~

o) ~~How is unemployment handled? Who is the TPA?~~

p) ~~Is overtime paid on 40% of an 8/80 work week? How much overtime is generally used each pay period?~~

q) What is the pay schedule? Weekly, biweekly? When do your pay periods start and end and what is pay day. Provide a pay calendar if possible.

r) Who currently processes payroll (in house, ADP, etc).

s) Details of the vacation, personal, sick and/or PTO plans and how they are accrued/paid.

t) ~~What paid holidays are recognized? How are hours worked on a holiday compensated? Who gets holiday pay?~~

u) Copy of current payroll registers.

v) Who handles HR/Payroll functions at the buildings? Organizational makeup.

w) ~~Are any lift duties, safety continuation, or safety programs in place and any details of those~~

x) Resumes and license for Administrators and DONs

y) Description of volunteer programs at each facility

z) Any large claims over \$25k in this population and the dependent status (EE or DEP) with diagnosis and dollar amount of claim.

aa) Cobra Rates

PLEASE LABEL THE FILES BASED ON THE ITEMS IN DUE DILIGENCE LIST. FOR INSTANCE ITEM NUMBER 1(u) SHOULD BE LABELED AS "1(u) Description of resident trust fund policies and procedures"

*This is not a quick glance.
Some more items may not be available.*

Exhibit D

Escrow Agreement

[to be inserted after execution]

Exhibit 2.3(b)

Assignment of Ground Lease

For recording purposes only, the consideration or value of this conveyance is \$_____.00. A Mortgage in the amount of \$_____.00 is being recorded simultaneously herewith.

This instrument prepared by:

Vaughn McWilliams
Haskins Jones, LLC
2805 2nd Avenue South, Suite 200
Birmingham, Alabama 35233

STATE OF ALABAMA)
MOBILE COUNTY)

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (this "Assignment") is made as of the __ day of _____, 2019, by and between MOBILE NURSING OPERATIONS, LLC, an Alabama limited liability company, as successor in interest to CCP AZALEA 0824 LLC, a Delaware limited liability company, as successor in interest to Ventas Realty, Limited Partnership, a Delaware limited partnership, as successor in interest to MediCenters of America, Inc., a Tennessee corporation ("Assignor"), and _____ ("Assignee").

RECITALS

Assignor desires to assign to Assignee all of Assignor's right, title and interest as Tenant under that certain Lease described in **Exhibit "A"** attached hereto (the "Lease") between Assignor and Infirmiry Health System, Inc. ("Landlord") wherein Assignor leased that certain real property described in **Exhibit "B"** attached hereto, and Assignee desires to accept said assignment and assume the obligations of Assignor under the Lease, all upon the terms, covenants and conditions set forth in this instrument.

AGREEMENT

NOW, THEREFORE, in consideration of the purchase price paid by Assignee to Assignor for the Property, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee covenant and agree as follows:

1. **Assignment.** Assignor hereby assigns, transfers and sets over unto Assignee all of the right, title and interest of Assignor in the Lease, including, without limitation, all rights of first refusal or options to purchase the leased premises, if any, and all rights to renew or extend the term of the Lease, if any (the "Assigned Interest").
2. **Assumption.** Assignee accepts the assignment of the Assigned Interest and assumes all obligations of Assignor on the part of the Tenant under the Lease first arising or accruing on or after the date of this Assignment.
3. **Indemnification by Assignor.** Assignor agrees to indemnify, defend and hold Assignee harmless from and against any claim, demand, cause of action, charge, judgment, damage, liability, cost or expense (including, without limitation, reasonable attorney's fees and legal costs) arising out of the Assigned

Interests in connection with events occurring at any time prior to the date of this Assignment.

4. Indemnification by Assignee. Assignee agrees to indemnify, defend and hold Assignor harmless from and against any claim, demand, cause of action, charge, judgment, damage, liability, cost or expense (including, without limitation, reasonable attorneys' fees and legal costs) arising out of the Assigned Interests in connection with events occurring on or after the date of this Assignment.

5. Binding Effect. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

6. Counterparts. This Assignment may be executed in two or more counterpart copies, all of which shall have the same force and effect as if the parties hereto had executed a single copy of this Assignment.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of the date first above written.

ASSIGNOR:

MOBILE NURSING OPERATIONS, LLC, an
Alabama limited liability company

By: _____
Name: _____
Its: _____

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of **MOBILE NURSING OPERATIONS, LLC**, an Alabama limited liability company, is signed to the foregoing Assignment and Assumption of Ground Lease, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, he, as such _____ and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the ___ day of _____, 2020.

[NOTARIAL SEAL]

Notary Public
My Commission Expires: _____

ASSIGNEE:

_____, LLC, a
_____ limited liability company

By: _____
Name: _____
Its: _____

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of _____, LLC, a _____ limited liability company, is signed to the foregoing Assignment and Assumption of Ground Lease, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, he, as such _____ and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the ___ day of _____, 2020.

[NOTARIAL SEAL]

Notary Public
My Commission Expires: _____

ACKNOWLEDGMENT AND CONSENT

The undersigned Landlord hereby acknowledges and consents to the Assignment of Ground Lease to which this Acknowledgment and Consent is attached and agrees that Assignor has assigned the Assigned Interest to Assignee, and Assignee has assumed all obligations of Assignor as the Tenant under the Lease first arising or accruing on or after the date of the Assignment.

Landlord has executed this Acknowledgment and Consent on the ____ day of _____, 2020.

MANAGER:

INFIRMARY HEALTH SYSTEM, INC.,

a _____

By: _____

Name: _____

Its: _____

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of Infirmary Health System, Inc., a _____, is signed to the foregoing Assignment and Assumption of Ground Lease, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, he, as such _____ and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the ____ day of _____, 2020.

[NOTARIAL SEAL]

Notary Public
My Commission Expires: _____

EXHIBIT A
(Description of Lease)

Lease between Assignor and Infirmity Health System, Inc., as successor in interest to Earl B. Wert and Ellen R. Wert, dated November 30, 1966, filed December 16, 1966 and recorded in Real Property Book 779, Page 946, as amended by Addendum to Lease recorded in Real Property Book 788, Page 193, as assigned and assumed in Assignment and Assumption of Lease recorded in Real Property Book 3985, Page 91, as further assigned and assumed by Assignment and Assumption of Lease recorded in Book 4869, Page 1222, as further assigned and assumed by Assignment of Ground Lease and Related Documents recorded in Book 7331, Page 180, and as further assigned and assumed by Assignment of Ground Lease recorded in Instrument No. 2019028019 of the Probate Records of Mobile County, Alabama.

EXHIBIT B
(Property Legal Description)

PARCEL I:

Beginning at a point on the North side of Springhill Avenue 100 feet West of the Northwest corner of Springhill Avenue and Louiselle Street, said point being the Southwest corner of Lot 1, Block 2 of Louiselle Second Addition, as recorded in the Office of the Judge of Probate of the County of Mobile in Deed Book 125 N.S., Page 280; thence run northwardly along the West line of Lot 1, Block 2 of the above mentioned subdivision, 175.45 feet to a point: said point being on the South line of Lot 3, Block 2 of the above mentioned subdivision; thence run westwardly along the South line of Lot 3, Block 2 of the above mentioned subdivision 50 feet to a point; said point being the Southwest corner of Lot 3, Block 2 of the above mentioned subdivision; thence run northwardly along the West line of Lots 3,4 and 5, Block 2 of the above mentioned subdivision 161.50 feet to a point; thence run westwardly with an enclosed angle of 86 degrees 39 minutes 135.26 feet to a point; thence run southwardly with an enclosed angle of 92 degrees 45 minutes a distance of 336.93 feet to a point; said point being on the North side of Springhill Avenue: thence run eastwardly along the North side of Springhill Avenue 181.82 feet to the point of beginning.

PARCEL II:

A reciprocal, non-exclusive surface easement for ingress and egress over and upon the North 25 feet of Lot 5 in Block 2 of Louiselle Second Addition, according to plat thereof recorded in Deed Book 125 N.S., Page 280 of the records in the Office of the Judge of Probate Court of Mobile County, Alabama.

Exhibit 2.3(c)

Deed

This instrument prepared by: Haskins W. Jones Haskins Jones, LLC 2805 2 nd Avenue South, Ste. 200 Birmingham, Alabama 35233	Send Tax Notices To:
--	----------------------

STATE OF ALABAMA)
)
 COUNTY OF MOBILE)

QUIT CLAIM DEED
(IMPROVEMENTS ONLY)

THIS QUIT CLAIM DEED executed and delivered as of the ___ day of May, 2019, by **MOBILE NURSING OPERATIONS, LLC**, an Alabama limited liability company, as successor in interest to **CCP AZALEA 0824 LLC**, a Delaware limited liability company, as successor in interest to Ventas Realty, Limited Partnership, a Delaware limited partnership, as successor in interest to MediCenters of America, Inc., a Tennessee corporation (the “**Grantor**”), to _____, a _____ (the “**Grantee**”).

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to that certain Assignment and Assumption of Lease, of even date herewith, recorded simultaneously herewith between Grantor and Grantee, Grantor assigned to Grantee all of its right, title and interest in and to that certain Lease between Grantor and Infirmity Health System, Inc., as successor in interest to Earl B. Wert and Ellen R. Wert, dated November 30, 1966, filed December 16, 1966 and recorded in Real Property Book 779, Page 946, as amended by Addendum to Lease recorded in Real Property Book 788, Page 193, as assigned and assumed in Assignment and Assumption of Lease recorded in Real Property Book 3985, Page 91, as further assigned and assumed by Assignment and Assumption of Lease recorded in Book 4869, Page 1222, as further assigned and assumed by Assignment of Ground Lease and Related Documents recorded in Book 7331, Page 180, and as further assigned and assumed by Assignment of Ground Lease recorded in Instrument No. 2019028019 of the Probate Records of Mobile County, Alabama (the “**Lease**”). The Lease conveys real property situated in Mobile County, Alabama described on Exhibit “A” attached hereto (the “**Property**”).

That in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid by Grantee to Grantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, Grantor does hereby remise, release, quit claim and convey unto Grantee all improvements, including, but not limited to the buildings and parking lots, located on the Property, subject, however, to the exceptions listed on **Exhibit “B”** attached hereto and incorporated herein.

TO HAVE AND TO HOLD, to the said Grantee, its successors and assigns forever.

Pursuant to the provisions of the Code of Alabama § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:

Mobile Nursing Operations, LLC

145 N. Highland Drive

Many, Louisiana 71449

Grantee's Name and Mailing Address:

Property Address:

1758 Springhill Avenue, Mobile AL 36607

Parcel ID:

29-07-24-0-001-092-01X

Purchase Price:

\$10.00

The Purchase Price can be verified by the Closing Statement.

[Signature page to follow]

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed as of the date first written above.

MOBILE NURSING OPERATIONS, LLC, a an Alabama limited liability company

By: _____
Name: _____
Its: _____

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of **MOBILE NURSING OPERATIONS, LLC**, an Alabama limited liability company, is signed to the foregoing Assignment and Assumption of Ground Lease, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, he, as such _____ and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the ___ day of _____, 2020.

[NOTARIAL SEAL]

Notary Public
My Commission Expires: _____

Exhibit A

Legal Description

PARCEL I:

Beginning at a point on the North side of Springhill Avenue 100 feet West of the Northwest corner of Springhill Avenue and Louiselle Street, said point being the Southwest corner of Lot 1, Block 2 of Louiselle Second Addition, as recorded in the Office of the Judge of Probate of the County of Mobile in Deed Book 125 N.S., Page 280; thence run northwardly along the West line of Lot 1, Block 2 of the above mentioned subdivision, 175.45 feet to a point: said point being on the South line of Lot 3, Block 2 of the above mentioned subdivision; thence run westwardly along the South line of Lot 3, Block 2 of the above mentioned subdivision 50 feet to a point; said point being the Southwest corner of Lot 3, Block 2 of the above mentioned subdivision; thence run northwardly along the West line of Lots 3,4 and 5, Block 2 of the above mentioned subdivision 161.50 feet to a point; thence run westwardly with an enclosed angle of 86 degrees 39 minutes 135.26 feet to a point; thence run southwardly with an enclosed angle of 92 degrees 45 minutes a distance of 336.93 feet to a point; said point being on the North side of Springhill Avenue: thence run eastwardly along the North side of Springhill Avenue 181.82 feet to the point of beginning.

PARCEL II:

A reciprocal, non-exclusive surface easement for ingress and egress over and upon the North 25 feet of Lot 5 in Block 2 of Louiselle Second Addition, according to plat thereof recorded in Deed Book 125 N.S., Page 280 of the records in the Office of the Judge of Probate Court of Mobile County, Alabama.

EXHIBIT B

Permitted Exceptions

1. Less and except any part of the Land lying within the right of way of a public road.
2. Terms and conditions of Lease by and between Earl B. Wert and Ellen R. Wert and Medicenters of America, Inc., dated November 30, 1966, filed December 16, 1966 and recorded in Real Property Book 779, Page 946, as amended by Addendum to Lease recorded in Real Property Book 788, Page 193, as assigned and assumed in Assignment and Assumption of Lease recorded in Real Property Book 3985, Page 91, as further assigned and assumed by Assignment and Assumption of Lease recorded in Book 4869, Page 1222, and as further assigned and assumed by Assignment of Ground Lease and Related Documents recorded in Book 7331, Page 180.
3. Unrecorded Lease between Ventas Realty, Limited Partnership and Mobile Nursing Operations, LLC.
4. Easement granted to the Board of Water and Sewer Commissioners of the City of Mobile as set out in instrument recorded in Real Property Book 834, Page 155.
5. List others

Exhibit 2.3(d)

Bill of Sale

Exhibit 2.3(e)

Bring Down Certificate

This Certificate is delivered pursuant to the Contract of Sale (“Agreement”), dated as of _____, 2020, between (“Buyer”) and (“Seller”).

The undersigned, _____, does hereby certify that the undersigned is the [title] of [Buyer/Seller] and is authorized to execute this Certificate, that the representations and warranties made by [Buyer/Seller] in the Agreement are true and correct in all material respects as of [Closing Date]; and that the covenants to be performed by [Buyer/Seller] pursuant to the Agreement have been performed and complied with in all material respects as of [Closing Date]. The [Buyer/Seller] may rely upon this certificate.

Exhibit 3.7

Litigation

Exhibit 5.8
Service Contracts

OPERATIONS TRANSFER AGREEMENT

by and among

Mobile Nursing Operations, LLC

(“Old Operator”)

And

Essential ~~Healthcare~~ Affiliates LLC

(“New Operator”)

Dated as of: _____, 2020

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OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT (this “Agreement”) is entered into this ___ day of _____, 2020 (the “Effective Date”) by and between Mobile Nursing Operations, LLC, an Alabama limited liability company (“Old Operator”), and Essential Healthcare Affiliates, LLC a New York limited liability company (“New Operator”).

WITNESSETH:

WHEREAS, Old Operator and Essential Healthcare Affiliates, LLC (“Purchaser”) have entered into that certain Contract of Sale (the “PSA”) dated as of the date hereof, pursuant to which Purchaser will purchase from Seller the ground lease (the “Ground Lease”) with respect to that certain real property improved with that certain 170-bed skilled care nursing home facility commonly known as “Azalea Gardens of Mobile” located at 1758 Springhill Avenue, Mobile, AL, as more particularly described on Schedule 1 annexed hereto (the “Facility”);

WHEREAS, New Operator will be entering into a lease of the Facility and other related assets from Purchaser, pursuant to a lease agreement effective as of the Closing Date;

WHEREAS, Old Operator currently has the sole rights to act as operator of the Facility and wishes to facilitate the transition of such rights to New Operator;

WHEREAS, Old Operator currently owns certain supplies, equipment and other personal property used in connection with the operation of the Facility (the “Personal Property”, and together with the Facility, the “Property”); and

WHEREAS, in order to ensure an orderly transition of operations of the Facility, the parties hereto desire to enter into this Agreement.

NOW, THEREFORE, for the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged by the parties hereto, the parties hereto agree as follows:

1. **CLOSING**. The closing (“Closing”) under this Agreement shall occur when all the closing conditions set forth in Section 3 below are satisfied or such other date as mutually agreed upon by the Old Operator and New Operator, but not prior to the date of the Closing under the PSA (the “Closing Date”). New Operator shall use its best efforts to obtain all governmental or quasi-governmental approvals that are necessary or appropriate in order for New Operator to operate the Facility under Alabama law, including a Certificate of Need, if applicable, and all other licenses (collectively, the “License”) issued by the Alabama Department of Public Health (“DPH”) necessary or desirable for the operation of the Facility, as a skilled nursing facility, and also use best efforts to begin to obtain Medicare and Medicaid provider agreements (collectively, the “Provider Agreements”) with respect to the Facility as provided herein (the License and Provider Agreements collectively, the “Regulatory Approvals”).

2. **DUE DILIGENCE; COOPERATION; INTERIM OPERATIONS OF THE FACILITY**.

a. Old Operator agrees to cooperate with New Operator, and New Operator agrees to cooperate with Old Operator to effect an orderly transfer of the operation of the Facility. Upon reasonable prior notice to Old Operator, New Operator, Purchaser and their agents, employees and contractors shall have the right to enter the Property during reasonable business hours to conduct any necessary diligence in accordance with Section 1.3 of the PSA, including conducting interviews with employees of the Facility.

b. From the Effective Date until the earlier of the Closing Date or the date this Agreement is terminated, Old Operator shall operate the Facility in substantially the same manner as it has heretofore operated, use commercially reasonable and diligent efforts to preserve intact the business operations and relationships of the Facility with third parties and use commercially reasonable efforts to keep available the services of all of the Facility's employees, including but not limited to the Administrator, the Director of Nursing and the employee(s) responsible for public relations and marketing. Without limiting the generality of the preceding sentences, until the earlier of (i) the Closing Date, or (ii) the termination of this Agreement, Old Operator shall:

- i. operate the Facility in the normal course of business and in compliance with all laws, ordinances, orders, rules, regulations and requirements of any federal, state or municipal governmental agency or authority;
- ii. maintain the Facility's licensure status, and Medicare and Medicaid provider agreements, in material compliance with all applicable laws, rules and regulations;
- iii. not sell, transfer or otherwise dispose of any of the Supplies (as hereinafter defined) or Personal Property except in the ordinary course of business consistent with the prior practices of Old Operator, in which event Old Operator shall replace the same with similar property of equal or greater quality, value and usefulness;
- iv. not enter into any contract, other than admission agreements, which shall become the obligation of New Operator nor modify, cancel, accept the surrender of or renew (except when any such acceptance of surrender or renewal is non-discretionary) any Contract (as hereinafter defined) which exists at present except in the ordinary course of business consistent with the prior practices of Old Operator for Contracts that are terminable upon 30 days' notice, without New Operator's prior written consent;
- v. not decrease the private pay rates of the residents of the Facility, except with the prior written consent of New Operator;
- vi. maintain records in accordance with all applicable federal and state laws and in such manner so that all records will be prepared in a consistent manner and will be current, complete, accurate and true;
- vii. not increase or promise to increase any wages or benefits of, or grant or promise to grant any bonuses to, any of the employees of the Facility without the prior written consent of New Operator except those reasonable bonuses and wage increases in the ordinary course of business consistent with Old Operator's past practice;

- viii. not take any action which will or would cause any of the representations or warranties in this Agreement to become untrue or be violated in any material respect;
- ix. use reasonable commercial efforts to preserve the present residency occupancy levels of the Facility and the goodwill with all of the suppliers, residents and others having business relations with the Old Operator or the Facility;
- x. keep the Property free and clear of all liens, claims and encumbrances and promptly remove any created or caused by Old Operator or its employees or agents (other than any liens, claims or encumbrances permitted under the PSA);
- xi. perform all of its obligations in respect of the Facility whether pursuant to any contracts, or other requirements;
- xii. cooperate with New Operator as reasonably necessary for New Operator's receipt of licensure and enrollment of New Operator in the Medicare and Medicaid programs; and
- xiii. promptly inform New Operator in writing of any material event adversely affecting the ownership, use, occupancy, operation, management or maintenance of the Facility, whether or not insured against.

3. CONDITIONS PRECEDENT.

a. New Operator's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Closing Date to the reasonable satisfaction of New Operator or the waiver thereof by New Operator, which waiver shall be binding upon New Operator only to the extent made in writing and dated as of the Closing Date:

- i. Old Operator shall have duly and timely performed and fulfilled all of its duties, obligations, promises, covenants and agreements hereunder in all material respects;
- ii. Each of the representations and warranties of Old Operator contained in this Agreement shall be true and correct in all material respects as of and on the Closing Date;
- iii. Old Operator shall not be in breach of any term, provision or condition of this Agreement in any material respect;
- iv. Old Operator shall deliver to New Operator on or before the Closing Date the following, each of which shall be in form an substance satisfactory to New Operator:
 - A. A duly executed assignment by Old Operator, in substantially the form annexed hereto as Exhibit A (the "General Assignment"), of all of Old Operator's right, title and interest in, to and under:

- i. the Patient Trust Funds and Property (as defined herein);
- ii. the Assumed Contracts (as defined herein);
- iii. all resident contracts or other agreements with residents of the Facility (the “Resident Agreements”), to the extent legally assignable;
- iv. all licenses, permits, accreditations, Medicaid and Medicare contracts, and other regulatory approvals, and all rights of Old Operator under any government or non-government provider agreements or any other third party payor programs, if any, issued by any federal, state, municipal or local governmental authority relating to the use, maintenance or operation of the Facility running to, or in favor of, Old Operator, to the extent legally assignable (including all modifications thereto or renewals thereof) (the “Permits”);
- v. all guaranties or warranties then in effect, if any, with respect to the Facility and the Personal Property (the “Warranties”);
- vi. all telephone numbers and domain names used in connection with the Facility;
- vii. all intellectual property owned by Old Operator, including without limitation, trademarks, trade names, including without limitation, the exclusive rights to the name “Azalea Gardens of Mobile.”
- viii. any other assets required to be assigned to New Operator pursuant to this Agreement.

- B. a duly executed Bill of Sale;
- C. a certificate of Old Operator, in a form reasonably acceptable to New Operator, executed by a duly authorized Manager of Old Operator, dated the Closing Date, to the effect that the representations and warranties of Old Operator set forth in this Agreement are true and complete in all material respects on and as of the Closing Date;
- D. a certificate from Old Operator, executed by a duly authorized Manager of Old Operator, certifying the resolutions authorizing the transactions contemplated hereby, and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement and all documents to be executed and delivered pursuant hereto, but specifically excluding the PSA and any documents executed and delivered by the Seller (the “Other Documents”);
- E. ERISA Memorandum, duly executed by Old Operator;

- F. counterpart copies of all Warranties;
 - G. copies of all Permits; and
 - H. Titles to vehicles.
- v. As of and on the Closing Date, all Recapture Claims (defined below) shall have been satisfied in accordance with Section 6(e), and Old Operator shall not have received notice of any civil monetary penalty or other federal, state or local fine and/or penalty;
 - vi. On or before the Closing Date, Old Operator shall have transferred to New Operator the Patient Trust Funds and Property on the Closing Date in compliance with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Property and in accordance with the provisions of Section 5 below;
 - vii. Between the date of this Agreement and the Closing Date, there shall not have been any Material Adverse Change (defined below);
 - viii. There shall not be any actions, suits, claims or other proceedings, pending or threatened, or injunctions or orders entered, pending or threatened against Old Operator, to restrain or prohibit the consummation of the transactions contemplated hereby;
 - ix. Seller and Purchaser shall have entered into and performed all of their obligations required to close the transactions contemplated by the PSA;
 - x. No resident or employee has tested positive for COVID-19, and no other individual who has been present in the Facility within thirty (30) days prior to Closing tests positive for COVID-19. In the event that either Purchaser or New Operator's financing sources refuse to provide funding for the transactions contemplated herein as a result of concerns related to COVID-19, New Operator shall have the option to terminate this Agreement and Purchaser shall receive a return of the Deposit (as defined in the PSA);
 - xi. New Operator shall have been issued or otherwise obtained all consents and all Permits that are not otherwise assigned under the General Assignment and Assumption that are necessary for New Operator's legal operation of the Facility as of the Closing Date in substantially the same manner as operated by Old Operator (other than the License, which is subject to clause (xii) below); and
 - xii. New Operator shall have received notice from DPH advising that, upon the consummation of the transactions contemplated under this Agreement and DPH is prepared to issue the License effective upon the Closing pending final receipt of evidence of the effectiveness of the Closing, and shall have received reasonable assurances that CHOW approval shall be issued post-Closing with a retroactive payment date of the Closing Date ("License Confirmation").
- b. Old Operator's obligation to consummate the transactions contemplated in this Agreement

shall be subject to the following conditions precedent on and through the Closing Date to the reasonable satisfaction of Old Operator or the waiver thereof by Old Operator, which waiver shall be binding upon Old Operator only to the extent made in writing and dated as of the Closing Date:

- i. New Operator shall have duly and timely performed and fulfilled all of its duties, obligations, promises, covenants and agreements hereunder in all material respects;
- ii. Each of the representations and warranties of New Operator contained in this Agreement shall be true and correct in all material respects as of and on the Closing Date;
- iii. New Operator shall not be in breach of any term, provision or condition of this Agreement;
- iv. New Operator shall have executed and delivered to Old Operator the Other Documents, as applicable;
- v. ERISA Memorandum, duly executed by New Operator;
- vi. New Operator shall deliver to Old Operator on or before the Closing Date the following, each of which shall be in form and substance reasonably satisfactory to Old Operator: (1) a certificate of New Operator, executed by a duly authorized manager of New Operator, dated the Closing Date, to the effect that the representations and warranties of New Operator set forth in this Agreement are true and complete on and as of the Closing Date and (2) a certificate from New Operator, executed by a duly authorized manager of New Operator, certifying the resolutions authorizing the transactions contemplated hereby and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement;
- vii. There shall not be any actions, suits, claims or other proceedings, pending or threatened, or injunctions or orders entered, pending or threatened against New Operator, to restrain or prohibit the consummation of the transactions contemplated hereby;
- viii. Seller and Purchaser shall have entered into and performed all of their obligations under the PSA; and
- ix. New Operator shall have received the License Confirmation.

c. Conditions Generally. In the event that either of the parties hereto (a "Waiving Party") waives a condition precedent to its performance hereunder, or otherwise elects to proceed with the Closing despite the fact that one or more conditions precedent to its performance have not been satisfied, such action by the Waiving Party shall in no way be deemed a waiver of any payment, indemnification or other rights of the Waiving Party with respect to such condition, and the Waiving Party shall be entitled, following the Closing, to pursue any and all available remedies at law or equity with respect thereto; provided, however, if the Waiving Party had actual knowledge of such condition when the condition was waived, then the Waiving Party shall not be entitled to pursue any remedies at law or equity with respect thereto.

4. CONVEYANCE OF SUPPLIES.

a. In consideration of this Agreement, on the Closing Date, Old Operator shall deliver to New Operator a bill of sale (the "Bill of Sale") for the Supplies and Personal Property, in the form annexed hereto as Exhibit C, as shall be necessary to convey to New Operator good and marketable right, title and interest in and to the Supplies and other Personal Property, free and clear of all liens, claims, encumbrances, charges, restrictions, rights or interests of others of any kind.

b. Old Operator shall have no obligation to deliver the Supplies or other Personal Property to any location other than that at which each item of Supplies and Personal Property is currently located, and New Operator agrees that the presence of the Supplies and Personal Property at the Facility on the Closing Date shall constitute delivery thereof.

5. TRANSFER OF PATIENT TRUST FUNDS.

a. On or prior to the Closing Date, Old Operator shall provide to New Operator a true, correct and complete accounting (properly reconciled) certified as being true, correct and complete by Old Operator of any patient trust funds and an inventory of all residents' property held by Old Operator on the Closing Date for patients at the Facility, a copy of which shall be attached hereto as Schedule 5(a) ("Patient Trust Funds and Property").

b. Old Operator hereby agrees to transfer, or to cause to be transferred, to New Operator the Patient Trust Funds and Property on the Closing Date. Old Operator shall comply with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Property. New Operator hereby agrees that it will accept the Patient Trust Funds and Property in trust for the residents, in accordance with applicable statutory and regulatory requirements; provided, however, such transfer shall not relieve Old Operator of its custodial and fiduciary responsibilities for such funds and property to the beneficiaries thereof for the period prior to and on the Closing Date.

c. Old Operator will indemnify, defend and hold New Operator harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event the amount of funds, if any, transferred to New Operator did not represent the full amount of the funds delivered to Old Operator as custodian as of the Closing Date, or with respect to any Patient Trust Funds and Property delivered, or claimed to have been delivered, to Old Operator, but which were not delivered by Old Operator to New Operator, or for claims which arise from actions or omissions of Old Operator with respect to the Patient Trust Funds and Property prior to and on the Closing Date.

d. New Operator will indemnify, defend and hold Old Operator harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event a claim is made against Old Operator by a patient for his/her Patient Trust Funds and Property where said funds were transferred to New Operator pursuant to the terms hereof, or for claims which arise from actions or omissions of New Operator after the Closing Date with respect to Patient Trust Funds and Property actually received by New Operator.

6. REGULATORY APPROVALS: COST REPORTS: OVERPAYMENTS. CIVIL MONETARY PENALTIES.

a. Effective on the Closing Date, Old Operator sells, assigns and conveys to New Operator the Medicare provider agreement and number in use at the Facility (the “Existing Medicare Provider Number”). Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to the existing Medicare Provider Number relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Existing Medicare Provider Number. During the pendency of New Operator’s CMS Form 855A (the “CHOW”), New Operator may bill Medicare under Old Operator’s name and the Existing Medicare Provider Number, until the intermediary changes the electronic funds transfer account or special payment address to the New Operator. Notwithstanding the foregoing, New Operator shall be responsible for all rights and liabilities relating to the existing Medicare Provider Number relating to any and all periods on or after the Closing Date. This Section 6 is intended to satisfy the requirements of Chapter Section 15.7.7.1.5 of the Medicare Program Integrity Manual.

b. Effective on the Closing Date, subject to applicable law, Old Operator shall, upon the request of New Operator, sell, assign and convey to New Operator the Medicaid provider agreement and number in use at the Facility (the “Existing Medicaid Provider Number”). Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to the existing Medicaid Provider Number relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Existing Medicaid Provider Number. New Operator may bill Medicaid under Old Operator’s name and the Existing Medicaid Provider Number, until the intermediary changes the electronic funds transfer account or special payment address to the New Operator. New Operator shall be responsible for all rights and liabilities relating to the existing Medicaid Provider Number relating to any and all periods on or after the Closing Date.

c. Effective on the Closing Date, subject to applicable law, Old Operator shall, upon the request of New Operator and to the extent assignable, sell, assign and convey to New Operator all other third party payor agreements affecting the Facility. Notwithstanding the foregoing, the Old Operator retains any and all rights and liabilities relating to such third party payor agreements relating to any and all periods preceding the Closing Date. Old Operator and New Operator shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of such third party payor agreement. New Operator may bill such third party payors under Old Operator’s name until it enters into a new agreement with such payors. New Operator shall be responsible for all rights and liabilities relating to any third party payor agreement assigned to it relating to any and all periods on or after the Closing Date.

d. Old Operator shall prepare and file with the appropriate Medicare and Medicaid agencies its final cost reports in respect to its operation of the Facility as soon as practicable after the Closing Date, but in any event prior to the expiration of the period of time as may be required by law for the filing of each such final cost report under the applicable third party payor program, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operator for the period beginning on the Closing Date is not delayed, reduced or offset in any manner as a result of Old Operator’s failure to timely file such final cost

reports. Old Operator agrees to reasonably cooperate with New Operator as necessary for enrollment of New Operator in the Medicare and Medicaid programs.

e. Each party hereto agrees to notify the other within seven (7) business days after receipt of any notice of any claim of recapture by DPH, or the office within DPH responsible for Medicaid reimbursement, CMS, OIG or any other governmental or quasi-governmental authority with respect to an alleged Medicare or Medicaid overpayment or any alleged underpayment of any tax or assessment for periods relating prior to the Closing Date (collectively "Recapture Claim"). To the extent ascertainable on or prior to the Closing Date, Old Operator shall pay or cause to be paid any Recapture Claim which is for the periods prior to or on the Closing Date; provided, however, nothing herein shall be deemed to prevent or restrict Old Operator from contesting any such Recapture Claim, and, if, based on the advice of its attorneys, by paying such Recapture Claim, Old Operator shall have forfeited its right to such contest, Old Operator may delay paying such Recapture Claim until final resolution of such contest, so long as Old Operator complies with the provisions of this Section 6.

f. In the event DPH, CMS, OIG or any other governmental or quasi-governmental authority or agency making payments to New Operator for services performed at the Facility on or after the Closing Date make any Recapture Claim for any period prior to the Closing Date, then Old Operator shall be entitled to contest such Recapture Claim; provided however, that New Operator shall be allowed the opportunity to participate in all meetings, and be provided with copies of all audit adjustments and workpapers. Old Operator and New Operator shall cooperate to resolve such audit to their mutual satisfaction. In the event Old Operator fails to pursue any issue or issues raised in any such appeal, New Operator may, at its own expense, pursue an appeal of such issue or issues and Old Operator will cooperate fully with New Operator in such appeal, including by providing copies of any documentation required to substantiate costs reported on the cost reports.

g. If Old Operator does not prevail with regard to such contest, Old Operator hereby agrees to save, indemnify, defend and hold New Operator harmless from and against any loss, damage, injury or expense incurred by New Operator arising from or related to any such Recapture Claim in accordance with Section 16(b).

h. Old Operator shall be and remain obligated for and shall pay on or before the date due thereof all amounts of any license fees/taxes or other amounts payable to any other government authority with jurisdiction over the Facility accrued through the Closing Date, including but not limited to any Medicaid provider taxes owed to the DPH or state bed tax or assessment, other than such taxes that are being contested in good faith. Old Operator shall provide to New Operator, on or before the Closing Date, evidence reasonably satisfactory to New Operator of payment of all of such fees and taxes.

i. Old Operator shall at its sole and exclusive cost and expense be liable and responsible for the correction of all violations cited by DPH or any governmental agency in any survey ("Survey") prior to or on or after the Closing Date as detailed in the Statement of Deficiencies issued by any governmental agency ("Statement"), if any, accompanying said Survey, and all proposed or imposed remedies, including but not limited to any CMP, that result from an undisclosed condition or incident at the Facility prior to the Closing Date or as a result of an undisclosed action or inaction of Old Operator prior to or on the Closing Date, until the same are cured and, if applicable, any proposed denial of payment by, or termination of certification to participate in, the Medicare or

Medicaid programs set forth in the Statement or otherwise resulting from the Survey or Statement is withdrawn.

j. Old Operator shall deliver to New Operator copies of any Medicare and Medicaid cost reports for the Facility that have not been filed as of the Effective Date, for New Operator's review, at least ten (10) days prior to filing of such reports, and provide New Operator with reasonable access to the underlying documentation for such reports.

7. CONTRACTS: RESIDENT AGREEMENTS.

a. As soon as practicable after the date hereof, the Old Operator shall deliver to the New Operator true, accurate and complete copies of all Contracts, a schedule of which is attached hereto as Schedule 7(a).

b. New Operator shall deliver written notice to Old Operator as to which of the Contracts New Operator desires to assume pursuant to the General Assignment and continue in full force and effect after the Closing Date, within thirty (30) days of its receipt of Schedule 7(a) (the "Assumed Contracts"), a listing of which shall then be attached hereto as Schedule 7(b). Any Contracts that New Operator does not indicate it desires to assume and continue shall be deemed rejected by New Operator ("Rejected Contracts") and Old Operator shall terminate such Rejected Contracts, provided that such termination shall be made in compliance with the applicable provisions under such Rejected Contracts.

c. To the extent any third party consent is required in connection with the assignment and assumption of the Assumed Contracts, Old Operator hereby covenants and agrees to use its commercially reasonable efforts to obtain such third party consent prior to the Closing Date. To the extent Old Operator shall be unable to obtain such third party consent, Old Operator and New Operator shall cooperate and take such steps as may be necessary in order for New Operator to receive the benefits under such Assumed Contracts, provided that New Operator agrees to fulfill any obligations of Old Operator that shall arise with respect to such Assumed Contracts on and after the Closing Date.

d. Old Operator shall transfer, convey and assign to New Operator, in accordance with the terms of the General Assignment, on the Closing Date all existing Resident Agreements and any guarantees thereof, to the extent assignable by Old Operator (excluding only the right to any payments for periods prior to the Closing Date).

e. New Operator shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations under the Assumed Contracts and the Resident Agreements arising on or after the Closing Date. New Operator hereby agrees to indemnify, protect, save, defend, and hold harmless Old Operator from and against any and all liabilities, obligations, claims, demands, and causes of action of any nature whatsoever, including reasonable attorneys' fees asserted against or incurred by Old Operator arising out of and/or connected with the Assumed Contracts and the Resident Agreements arising on or after the Closing Date.

f. Old Operator hereby agrees to indemnify, protect, save, defend and hold harmless New Operator from and against any and all liabilities, obligations, claims, demands and causes of action

of any nature whatsoever, including reasonable attorneys' fees, asserted against or incurred by New Operator arising out of and/or connected with (i) any third parties claiming to have rights under contracts or other agreements that are not set forth or described in Schedule 7(a) or (ii) any Rejected Contracts.

8. NO ASSUMPTION OF LIABILITIES.

a. Other than as specifically set forth in this Agreement or the PSA, New Operator shall not assume and shall not be liable for, and Old Operator shall indemnify New Operator for, any debts, liabilities or obligations of the Old Operator including, but not limited to (the "Excluded Liabilities"): any (i) expenses that accrue or arise prior to the Closing Date; (ii) liabilities or obligations of the Old Operator to its creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of the Old Operator with respect to any Contracts (other than \ with respect to the Assumed Contracts on and after the Closing Date), acts, events or transactions occurring prior to, on or after the Closing Date, (iv) liabilities or obligations of the Old Operator for any federal, state, county or local taxes applicable to or assessed against the Old Operator or the assets or business of the Old Operator, or (v) any contingent liabilities or obligations of the Old Operator, whether known or unknown by the Old Operator or New Operator, (vi) liabilities or obligations of the Old Operator relating to any of its employees, other than Retained Employees with respect to the period from and after the Closing Date, or (vii) any other liabilities resulting from any act or failure to act by Old Operator before the Closing Date.

b. Old Operator shall not assume and shall not be liable for, and New Operator shall indemnify Old Operator for, any debts, liabilities or obligations of the New Operator including, but not limited to, any (i) expenses that accrue or arise on or after the Closing Date, (ii) liabilities or obligations of the New Operator to its creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of the New Operator with respect to any Assumed Contracts on and after the Closing Date, and any acts, events or transactions occurring before, on or after the Closing Date, (iv) liabilities or obligations of the New Operator for any federal, state, county or local taxes applicable to or assessed against the New Operator or the assets or business of the New Operator, or (v) any contingent liabilities or obligations of the New Operator, whether known or unknown by the New Operator or Old Operator, or (vi) any other liabilities resulting from any act or failure to act by New Operator on or after the Closing Date.

c. Except as specifically provided in this Agreement, New Operator shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facility prior to the Closing Date, including, but not limited to, any matters relating to Contracts, cost reports, collections, audits, hearing, or legal action arising therefrom, and Old Operator shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facility on or after the Closing Date, including, but not limited to, any matters relating to cost reports, collections, audits, hearing, or legal action arising therefrom.

9. ACCOUNTS RECEIVABLE: ACCOUNTS PAYABLE.

a. Old Operator shall retain the right to collect all unpaid accounts receivable as of the close

of business on the day prior to the Closing Date with respect to the Facility, but only to the extent that such accounts receivable relate to services rendered prior to the Closing Date. All collections shall be conducted in accordance with normal business practices and no patients or residents shall be unreasonably harassed in the collection of such amounts. New Operator shall allow Old Operator reasonable access to the Facility to accomplish these tasks.

b. If at any time after the Closing Date, New Operator shall receive any payment from any federal or state agency, which payment includes any reimbursement with respect to payments or underpayments made to Old Operator for services rendered prior to the Closing Date, then New Operator shall remit such payments to Old Operator. New Operator and Old Operator shall send copies of all Medicare and Medicaid remittance advices to the other party for purposes of recording and pursuing accounts receivable for the period of twelve (12) months following the Closing Date and thereafter as reasonably requested by each party. If at any time after the Closing Date, Old Operator shall receive any payment from any federal or state agency, which payment represents reimbursement with respect to payments or underpayments made to New Operator for services rendered on or after the Closing Date, then Old Operator shall remit such payments to New Operator. Any such remittances pursuant to this Section 9(b) shall occur within ten (10) days from the date the party required to make such remittance receives payment thereof.

c. Payments received by New Operator or Old Operator from non- governmental payment sources shall be paid to the party designated in such payments entitled to the payments for the services provided thereunder within ten (10) days from the date the party required to make such remittance receives payment thereof. Any non-designated payments received by New Operator or Old Operator from non-governmental payments sources after the Closing Date shall first be applied to any post-Closing Date monthly balances due to New Operator for services provided on or after the Closing Date, with the excess if any, applied to any pre-Closing Date monthly balances due for services rendered by Old Operator prior to the Closing Date. Notwithstanding the foregoing, New Operator hereby acknowledges and agrees that such pre Closing Date monthly balances are the property of Old Operator and Old Operator reserves the right to continue to directly pursue the collection of such pre Closing Date monthly balances.

d. To the extent either party receives any payments for accounts receivable of the other party, both parties acknowledge that the party receiving the payment belonging to the other party shall hold the payment in trust, that neither party shall have any right to offset with respect to such accounts receivable, and that the party erroneously receiving the payment shall have no right, title or interest whatsoever in the payment and shall remit the same to the other within ten (10) days of receipt.

e. Nothing herein shall be deemed to limit in any way either party's rights and remedies to recover accounts receivable due and owing to it under the terms of this Agreement.

f. All accounts payable for services provided or goods furnished for or at the Facility prior to the Closing Date, notwithstanding whether such accounts payable were incurred in the name of Old Operator, shall remain the sole responsibility and obligation of Old Operator. All accounts payable for services provided or goods furnished for or at the Facility on or after the Closing Date, notwithstanding whether such accounts payable were incurred in the name of New Operator (except with respect to Rejected Contracts), shall be the sole responsibility and obligation of New Operator. To the extent accounts payable have accrued for a period that includes time both before and after

the Closing Date, the parties hereto shall equitably apportion the responsibility for payment of the same. The parties hereto hereby agree to cooperate with each other and to notify the merchants, suppliers or other third parties with respect to which of Old Operator or New Operator bears responsibility for accounts payable of the Facility based on the foregoing clauses of this Section 9(f).

10. EMPLOYEES.

a. Old Operator shall terminate the employment of all employees providing services at the Facility, a listing of which is attached hereto as Schedule 10(a) (such listing, to include the current base salaries of all such employees) (the “Current Employees”), effective as of the Closing Date. Old Operator shall be responsible for any “Continuation Coverage” (as that term is defined by COBRA Section 4980B of the tax code and Section 601, et seq. of ERISA) for any employee of Old Operator terminated at any time prior to or on the Closing Date who does not become a Retained Employee (as defined below). New Operator shall not be bound by or assume any employment contracts to which Old Operator may be a party. Old Operator shall not make any material changes in the compensation or benefits of the employees at the Facility prior to the Closing Date.

b. New Operator shall determine, in its sole discretion, which of the Current Employees, but not less than the amount needed to comply with the WARN Act, shall be offered employment with New Operator pursuant to employment terms acceptable to New Operator (those Current Employees who accept and report for work for New Operator after the Closing, the “Retained Employees”). New Operator shall comply with the WARN Act. Nothing in this paragraph, however, shall create any right in favor of any person not a party hereto, including without limitation, the Current Employees, or constitute an employment agreement or condition of employment for any employee of Old Operator or any affiliate of Old Operator who is a Current or Retained Employee.

c. Purchaser shall be paid at Closing or receive a credit against the Purchase Price (as defined in the PSA) in an amount equal to 100% of any and all vested and unvested, earned and unused paid time off, personal leave or vacation time (collectively, the “Time Off Pay”), sick leave (“Sick Leave Benefits”), unpaid overtime, salaries, back wages and other benefits, together with any payroll taxes (collectively, the “Accrued Employee Vacation and Leave”), which is set forth on Schedule 10(c) attached hereto, subject to the following post-Closing adjustment. New Operator shall not be liable and Old Operator shall indemnify and hold the New Operator harmless on account of any and all other liabilities and obligations with regard to any of the Current Employees (other than Retained Employees accruing on and after the Closing Date) and with regard to the Retained Employees, and all other liabilities and obligations that shall have accrued prior to the Closing Date. In the event that New Operator discovers after the Closing Date that the Old Operator’s actual Accrued Employee Vacation and Leave exceeded the aggregate amount set forth in Schedule 10(c), upon notice by New Operator, Old Operator shall pay to New Operator, within ten (10) days after New Operator provides notice thereof, an amount equal to any such deficiencies. New Operator’s rights and Old Operator’s obligations under this Section 10(c) shall be continuous.

d. New Operator and Old Operator agree and acknowledge that the employees at the Facility provide valuable services that are crucial for the success of the Facility, and New Operator’s decision to serve as licensed operator of the Facility is based upon the skills and qualifications of

such employees. As such, no person or entity that either directly or indirectly controls, is under common control with or is otherwise affiliated with Old Operator (any of the foregoing, an “Old Operator Party”) shall, during the period beginning on the Effective Date and ending upon the date that is eighteen (18) months following Closing, hire or solicit for employment any Retained Employee. In the event of a breach of this Section 10(d) by an Old Operator Party, then Old Operator shall pay to New Operator an amount equal to Fifty Thousand Dollars (\$50,000.00) as liquidated damages, for each such Current Employee or Scheduled Employee. The parties agree and acknowledge that actual damages with respect to the foregoing would be difficult to ascertain and that Fifty Thousand Dollars (\$50,000.00) is a fair and reasonable approximation of such actual damages. The parties also agree that advertisements available to the general public, such as through website job postings and newspaper, Internet and trade journals shall not constitute solicitation for purposes of this Section 10(d).

11. **EMPLOYMENT RECORDS.** To the extent permitted by applicable law and authorized by the applicable employee, Old Operator shall deliver to New Operator, prior to the Closing Date, either the originals or full and complete copies of all employee records for all Retained Employees in its possession (including, without limitation, all employee employment applications, W-4’s, I-9’s and any disciplinary reports) (collectively, the “Employee Records”). Old Operator represents and warrants to New Operator that the Employee Records delivered to New Operator represent all employee records in Old Operator’s possession or control as of the Closing Date with regard to the Retained Employees.

12. ACCESS TO RECORDS.

a. On the Closing Date, Old Operator shall deliver to New Operator all of the records of the Facility, including patient medical and financial records, provided, however, that nothing herein shall be construed as precluding Old Operator from removing from the Facility on the Closing Date its corporate financial records which relate to its operations at the Facility or to its overall corporate operations; and provided, further, that for a five (5) year period after the Closing Date, Old Operator shall give New Operator access to any information and the right of inspection (including the right to extract or make copies) in any such removed records as is necessary for the efficient and lawful operation of the Facility by New Operator or is otherwise required by law to be maintained at the Facility.

b. Subsequent to the Closing Date, New Operator shall allow Old Operator and its agents and representatives to have reasonable access to (upon reasonable prior notice and during normal business hours), and to make copies of, the books and records and supporting material of the Facility relating to the period prior to and including the Closing Date, at its own expense, to the extent reasonably necessary to enable Old Operator to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns or any other government agency actions or notices.

c. Old Operator shall, if allowed by applicable law and subject to the terms of such applicable law, be entitled to remove and/or copy any records delivered to New Operator, for purposes of litigation involving a resident or employee to whom such record relates, as certified to New Operator in writing prior to removal by an officer of or counsel for Old Operator in connection with such threatened or actual litigation. Any record so removed shall promptly be returned to New Operator following its use.

d. New Operator agrees to maintain such books, records and other material comprising records of the Facility's operations prior to the Closing Date that have been received by New Operator from Old Operator or otherwise, including patient records and records of patient funds, to the extent required by law, but in no event less than three (3) years.

13. **USE OF TELEPHONE NUMBER.** New Operator may use the present telephone numbers of the Facility. Old Operator shall, as of the Closing Date, transfer or cause to be transferred, at New Operator's expense, the telephone numbers used by the Facility.

14. **Reserved.**

15. **TAXES.** Old Operator shall discharge any provider tax charged by DPH, or other government agency for periods relating prior to the Closing Date. Old Operator will file all returns, reports and filings of any kind or nature, required to be filed by Old Operator on a timely basis and will timely pay all taxes or other obligations and liabilities which are due and payable with respect to the Property in the ordinary course of business, other than such taxes that are being contested in good faith. Old Operator shall pay before the same shall become due all taxes, duties and other governmental charges that accrue prior to the Closing Date, which, if not paid, would create or may hereafter create a lien on any of the assets of New Operator or for which New Operator could become liable as a successor operator of the Facility. Old Operator shall also file any required bulk transfer filings necessary to establish that New Operator shall not succeed to any state tax liabilities.

16. **INDEMNIFICATION.**

a. New Operator shall indemnify, save, protect, defend and hold harmless Old Operator and its respective employees, affiliates, managers, partners, officers, directors and agents, from and against all claims, liabilities, losses, damages, demands and causes of action of any nature whatsoever (including demands and causes of action relating to injury or death to persons or loss of or damage to property), and all costs and expenses (including penalties and reasonable attorneys' and other professional fees and disbursements incurred in the investigation or defense of any such claims, or in asserting, pursuing or enforcing any such claims), whether or not resulting from third-party claims (collectively, "Losses") arising from, out of, or relating to (i) operation of the Facility by New Operator on or after the Closing Date, (ii) New Operator's use or occupancy of the Property or the condition thereof on or after the Closing Date, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the Other Documents.

b. Old Operator agrees to indemnify, save, protect, defend and hold harmless New Operator and its employees, affiliates, managers, members, officers, directors and agents, from and against all Losses arising from, out of, or relating to (i) operation of the Facility by Old Operator prior to the Closing Date, (ii) Old Operator's use or occupancy of the Property or the condition thereof prior to the Closing Date, and (iii) the Excluded Liabilities; and (iv) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the Other Documents.

c. In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Agreement ("Indemnitee's Claim") is made against or received by any indemnified party (hereinafter "Indemnitee")

hereunder, said Indemnitee shall notify the indemnifying party (hereinafter “Indemnitor”) in writing within thirty (30) calendar days of Indemnitee’s receipt of written notice of said Indemnitee’s Claim, provided, however, that Indemnitee’s failure to timely notify Indemnitor of Indemnitee’s receipt of an Indemnitee’s Claim shall not impair, void, vitiate or invalidate Indemnitor’s indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee’s delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor’s right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee’s Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee’s Claim at Indemnitor’s sole and exclusive cost and expense and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee’s Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within two (2) calendar days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee’s Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee’s Claim without Indemnitor’s prior written consent. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee’s Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee’s Claim, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an “Indemnification Default”) and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee’s Claim at Indemnitor’s sole and exclusive cost and expense, including but not limited to attorneys’ fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee’s Claims and the reasonable costs, expenses and attorneys’ fees incurred by Indemnitee to defend, settle or compromise said Indemnitee’s Claims.

d. This Section 16 is effective from and after the Closing. Except as otherwise provided in this Agreement, the remedies provided for in this Section 16 shall be exclusive and shall preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against the Indemnitor for claims subject to Section 16 of this Agreement. Each Party hereby waives any provision of law to the extent that it would limit or restrict the agreement contained in this Section 16.

e. The parties shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder, including by making commercially reasonable efforts to mitigate or resolve any such claim or liability. Each party shall use commercially reasonable efforts to address any claims or liabilities that may provide a basis for an indemnifiable claim hereunder such that each party shall respond to any claims or liabilities in the same manner it would respond to such claims or liabilities in the absence of the indemnification provisions of this Agreement. In the event that any party shall willfully fail to make such commercially reasonable efforts to mitigate or resolve any claim or liability, then notwithstanding anything else to the contrary contained herein, the other party shall not be required to indemnify any person for any Loss that could reasonably be expected to have been avoided if

such party, as the case may be, had made such efforts.

f. All indemnification obligations of Old Operator and New Operator under this Agreement shall survive the Closing Date and shall continue in effect for a period of two (2) years after the Closing Date; provided that if there is an Indemnitee's Claim made prior to the two (2) year anniversary of the Closing Date, such indemnification obligation shall continue to survive until the final, non-appealable resolution of such Indemnitee's Claim.

g. The foregoing to the contrary notwithstanding, all indemnification obligations relating to the Recapture Claims and any other Losses relating to the Medicaid and Medicare programs shall survive for a period of thirty-six (36) months.

17. **REPRESENTATIONS AND WARRANTIES OF NEW OPERATOR**. As an inducement to Old Operator to enter into this Agreement, New Operator covenants and makes the following representations and warranties set forth below, which are true and correct as of the date hereof and which shall be true and correct on the Closing Date:

a. **Organization and Authority**. New Operator is a _____, duly organized, validly existing and in good standing under the laws of the State of _____. As of the Closing Date, New Operator will have all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by New Operator and is enforceable against New Operator in accordance with its terms.

b. **No Violations**. Neither the execution and delivery of this Agreement, nor any agreement referred to or contemplated hereby, by New Operator will:

- i. violate any provision of its Certificate of Formation or Operating Agreement; or
- ii. be in conflict with or constitute a default or create a right of termination or cancellation under any agreement or commitment to which New Operator is a party.

c. **No Consent Required**. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by New Operator of this Agreement, or the performance by New Operator of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by New Operator of transactions contemplated hereby to be consummated prior to, as of or at the Closing Date, except (i) such consents, certifications or licenses from the DPH, CMS or any other governmental agency with jurisdiction over the Facility as necessary to permit New Operator to operate the Facility from and after the Closing Date, and (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home in Alabama.

d. **Approvals**. To the knowledge of New Operator, no fact, issue, concern or other matter, either past or present, exists that would materially adversely affect New Operator's ability to obtain the approvals set forth in Section 3(a)(xii).

e. Accuracy of Representations and Warranties of New Operator. No representation or warranty by or on behalf of New Operator contained in this Agreement and no statement by or on behalf of New Operator in any certificate, list, exhibit, schedule or other instrument furnished or to be furnished to Old Operator by or on behalf of New Operator pursuant hereto contains any untrue statement of material fact, or omits or will omit to state any facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

f. Survival of Representations and Warranties of New Operator. Each representation and warranty of New Operator hereunder shall be true, complete and correct as of the Closing Date with the same force and effect as though such representation or warranty was made on such date, and all representations and warranties shall survive the Closing Date for a period of two (2) years.

18. **REPRESENTATIONS AND WARRANTIES OF OLD OPERATOR.** As an inducement to New Operator to enter into this Agreement, Old Operator covenants and makes the following representations and warranties, which are true and correct as of the date hereof and which shall be true and correct as of the Closing Date:

a. Organization and Authority. Old Operator is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of Alabama. Old Operator has all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Old Operator and is enforceable against Old Operator in accordance with its terms.

b. No Violations. Neither the execution and delivery of this Agreement, nor any agreement referred to or contemplated hereby, by Old Operator will:

- i. violate any provision of its Certificate of Formation or Operating Agreement;
- ii. be in conflict with or constitute a default or create a right of termination or cancellation under any agreement or commitment to which Old Operator is a party or which pertains to the Facility; and
- iii. result in the creation or imposition of any security interest, lien or other encumbrance upon any of the assets of Old Operator.

c. No Consent Required. No consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by Old Operator of this Agreement, or the performance by Old Operator of this Agreement, prior to, or as of or at the Closing Date, or as a consequence thereof, or with the consummation by Old Operator of transactions contemplated hereby to be consummated prior to, as of or at the Closing Date, except (i) such consents, certifications or licenses from the DPH, CMS or any other governmental agency with jurisdiction over the Facility as necessary to permit New Operator to operate the Facility from and after the Closing Date, and (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home in Alabama.

d. Litigation. Except as set forth on Schedule 18(d), there are no pending, nor, to Old Operator's knowledge, threatened claims, lawsuits, governmental actions or other proceedings, including without limitation, any desk audit or full audit described in below, involving the Facility or the operation thereof before any court, agency or other judicial, administrative or other governmental body or arbitrator.

e. Overpayments. Except as set forth on Schedule 18(e), there are no pending, nor, to Old Operator's knowledge threatened claims, demands or other notices of or action alleging the overpayment of Medicaid, Medicare or other governmental or quasi-governmental reimbursements or demanding the return of such alleged overpayments by any third party payor, nor is Old Operator aware of any grounds for such a claim or demand.

f. Audits. Old Operator agrees to fully cooperate with New Operator in connection with any desk audit or full audit by CMS, DPH, AHCA or other applicable governmental regulatory agency in connection with the desk audit or full audit of any Medicaid or Medicare cost reports filed by Old Operator, including but not limited to providing New Operator with any and all necessary documentation, supporting schedules and personnel in its possession in order to properly support the dollar figures and classifications/characterizations contained in Old Operator's cost reports so that New Operator's Medicaid or Medicare reimbursements are maximized.

g. Status of Licensure and Certification. The Facility currently holds licenses issued by the DPH to Old Operator for skilled nursing facilities for 170 beds, and said licenses are and shall through the Closing Date be unrestricted, unconditional, in good standing and in full force and effect and subject to no waivers or limitations. There are at the Facility a number of beds equal to the maximum bed capacity as permitted under the Facility license. There are no pending actions or claims or to Old Operator's knowledge, any threatened actions or claims, which, if adversely determined, could materially and adversely affect such licenses. Old Operator has not received any written notice from DPH, or any other governmental agency requiring the correction of any condition with respect to such licenses which has not been the subject of a plan of correction for which compliance has been affected and Old Operator has no reason to believe that the good standing of any such license is in jeopardy. Furthermore, Old Operator has not received any written notice from DPH, or any other governmental or quasi-governmental organization of any life safety code or similar violations, nor does Old Operator have any reason to believe that any condition exists at the Property that would violate any life safety codes or any similar regulations. The Facility is, and shall on the Closing Date be, certified for participation in the Medicaid and Medicare reimbursement program and such certification is in full force and effect and in good standing and subject to no restrictions or limitations. There are no pending actions or claims or, to the best of Old Operator's knowledge, any threatened actions or claims, which, if adversely determined, could materially and adversely affect such certification. Old Operator has not received any notice from DPH, CMS or any other governmental agency requiring the correction of any condition with respect to such certification which has not been the subject of a plan of correction for which compliance has been affected and Old Operator has no reason to believe that the good standing of such certification is in jeopardy. Old Operator shall promptly comply with any violation notices concerning the Facility received after the date hereof and before the Closing Date to the extent that any such notice requires compliance activities. In addition to, and not in any manner limiting the generality of, the foregoing, during the three-year period prior to the Closing Date, except as set forth in Schedule 18(g), Old Operator has not received any of the following with

respect to the Facility:

- i. A notice of violations with a scope and severity level of “F” or higher;
- ii. A notice of termination of either of the licenses issued by DPH to operate the Facility as a skilled nursing facility;
- iii. A notice of termination of the certification issued by DPH or CMS of the Facility to participate in the Medicare and/or Medicaid reimbursement programs;
- iv. A notice that the Facility is not in substantial compliance with the requirements for participation in the Medicare and/or Medicaid reimbursement programs;
- v. A notice of a material Life Safety Code deficiency cited by CMS, DPH, or state or local building, fire safety or health authorities that have not been corrected as of the date hereof; and
- vi. A notice of imposition of civil monetary penalties or other intermediate sanctions in accordance with 42 CFR § 488.430 et seq.

h. Cost Reports; Audits. Old Operator has filed, or will file, within the appropriate reporting period and with the appropriate authority, all cost reports required to be filed pursuant to Titles XVIII and XIX of the Social Security Act prior to the date hereof with respect to the Facility. All such reports have been or will be prepared in all material respects in accordance with all applicable laws, rules and regulations. Old Operator has been audited by the Medicaid program for all fiscal periods through _____. The status of the pending Medicare and Medicaid audits are attached as Schedule 18(h).

i. Compliance with applicable laws. Except as set forth in Schedule 18(i):

- i. To its knowledge, Old Operator is in compliance (without waivers) and as of the Closing Date will be in compliance (without waivers), in all material respects, with all applicable municipal, county, state and federal laws, regulations, ordinances, standards and orders, including without limitation, all health, building, fire and zoning ordinances and life safety codes and the Americans with Disabilities Act, as the same may be amended.
- ii. To Old Operator’s knowledge, the Property has been and is presently used and operated in compliance in all material respects with, and in no material way violates any applicable statute, law, regulation, rule, licensing requirement, ordinance, order or permit of any kind whatsoever affecting the Property or any part thereof, including without limitation, the Nursing Home Act, Environmental Laws, and any rules or regulations promulgated thereunder, as well as any thereof relating to wages, hours, hiring, promotions, retirement, working conditions, nondiscrimination, health, safety, pensions and employee benefits.
- iii. To its knowledge, Old Operator has not received written notice of any claim, requirement or demand of any licensing or certifying agency supervising or having authority over Old Operator or otherwise to rework or redesign it so as to conform

to or comply with any existing law, code or standard which has not been fully satisfied prior to the date hereof or which will not be satisfied prior to the Closing Date.

- iv. All billing practices of Old Operator to all third party payors, including the Medicare and Medicaid programs and private insurance companies, have been in compliance in all material respects with all applicable laws, regulations and policies of such third party payors and the Medicaid and Medicare programs.

j. Life Care Contracts. The Facility is not a party to any life care contract with respect to any resident of the Facility.

k. Personal Property and Residents. Unless specifically permitted pursuant to the terms of this Agreement, Old Operator shall not remove any items of personal property from the Facility nor shall it transfer residents from the Facility to a skilled care nursing home facility owned or operated by an entity which is owned in whole or part, directly or indirectly, by the principals of Seller and/or Old Operator. To Old Operator's knowledge, the information set forth in the admission agreements and patient rolls pertaining to residents of the Facility is true and correct in all material respects as of the respective dates of such admission agreements and patient rolls, and there are no patient care agreements with respect to any resident of the Facility which differs materially from the standard form used at the Facility.

l. Personal Needs Allowance. To its knowledge, Old Operator is currently in material compliance with all state and federal regulations relating to maintaining and accounting for the personal needs allowance ("PNA") for residents who request the establishment of a PNA account. Except as set forth in Schedule 18(l), Old Operator has no knowledge of and has not received any notice from any governmental authority citing or alleging any violation by Old Operator or the Facility of any state or federal PNA regulations.

m. Furniture. Except as set forth in Schedule 18(m), Old Operator does not own any of the beds or furnishings at the Facility.

n. Supplies. Each and every item constituting the Supplies has been purchased by Old Operator and is owned by Old Operator free and clear of claims of all other parties. Such supplies and linens are sufficient in quantity for the proper conduct and operation of the Facility as a skilled care nursing home facility for at least that number of residents residing at the Facility as of the Closing Date in substantial compliance with all applicable laws, including, without limitation, the minimum standards of DPH or any other governmental agency and in an amount sufficient to last not less than five (5) business days.

o. Old Operator's Accrued Employee Vacation and Leave. Schedule 10(c) is a complete and accurate list of Old Operator's Accrued Employee Vacation and Leave, and except as provided in Schedule 10(c), as of the Closing Date, Old Operator has no outstanding obligations with respect to vacation and holiday pay to any of the Retained Employees.

p. Labor Unions. Except as set forth in Schedule 18(p), Old Operator is not party to any collective bargaining agreement with any labor union or similar organization, nor does Old

Operator know of any such organization which represents or claims to represent any of Old Operator's employees or intends to organize any of Old Operator's employees.

q. Multi-Employer Plans. Except as provided in Schedule 18(q), Old Operator does not, and is not required to, contribute (and has not ever contributed or been required to contribute) to any multi-employer plan, as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to the Current Employees.

r. Employee Benefit Plans. Except as provided in Schedule 18(r):

- i. Old Operator does not maintain or contribute to any non-qualified deferred compensation or retirement plans, contracts or arrangements;
- ii. Old Operator does not maintain or contribute to any qualified defined contribution plans (as defined in Section 3(34) of ERISA, or Section 414(i) of the Internal Revenue Code of 1986, as amended (the "Code"));
- iii. Old Operator does not maintain or contribute to any qualified defined benefit plans (as defined in Section 3(35) of ERISA or Section 414(j) of the Code);
- iv. Old Operator does not maintain or contribute to any employee welfare benefit plans (as defined in Section 3(1) of ERISA); and
- v. Old Operator has not entered into, nor has Old Operator established or maintained, any change-in-control or severance agreements or plans.

s. Environmental Condition. To Old Operator's knowledge, Old Operator has not generated, stored or disposed of any Hazardous Substances on the Facility or the Property, and Old Operator does not have any knowledge of any previous or present generation, storage, disposal or existence of any Hazardous Substance or hazardous waste on the Facility or the Property, except in such quantities that is customary in the operation of a skilled care facility and in all events in compliance in all material respects with all Environmental Laws.

t. Status of Residents. To Old Operator's knowledge, all of the residents at the Facility have full legal status as citizens of the United States of America.

u. Taxes. Except as set forth in Schedule 18(u), Old Operator has timely filed all tax returns and reports required by law to have been filed by it and has paid all taxes and governmental charges due and payable with respect to such returns, other than such taxes being contested in good faith.

v. Insurability. Old Operator has not received any written notice or request from any insurance company or underwriters setting forth any defects in the Property which might affect the insurability thereof, requesting the performance of any work or alteration of the Property or setting forth any defect or inadequacy in Old Operator's operation of the Property which would materially and adversely affect the ability of New Operator to insure the Facility following Closing.

w. Financial Statements. Old Operator will provide a profit and loss statement for the annual

periods ending December 31, 2018, and December 31, 2019, as well as interim statements for the period ending _____, 2020 (such unaudited financial statements being herein called "Old Operator Financial Statements"). To the knowledge of Old Operator, the Old Operator Financial Statements are materially true, complete and accurate, have been based upon the information contained in the books and records of Old Operator and present fairly the assets, liabilities and financial condition of Old Operator as at the respective dates thereof and the results of its operations for the periods ended at the respective dates thereof, in each case prepared in conformity with GAAP applied on a consistent basis throughout the periods involved and with prior periods, except for the profit and loss statement for the annual periods ending December 31, 2018, and December 31, 2019, the Old Operator Financial Statements are unaudited, and do not contain "audit adjustments" or footnotes. To the knowledge of Old Operator, the Old Operator Financial Statements do not contain any material inaccuracy and do not suffer from any material omissions in accordance with GAAP.

x. Accuracy of Representations and Warranties of Old Operator. To the actual knowledge of the Old Operator, no representation or warranty by or on behalf of Old Operator contained in this Agreement and no statement by or on behalf of Old Operator in any certificate, list, exhibit or other instrument, including the due diligence materials and financial statements, furnished or to be furnished to New Operator by or on behalf of Old Operator pursuant hereto contains any untrue statement of material fact, or omits or will omit to state any facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

y. Survival of Representations and Warranties of Old Operator. Each representation and warranty of Old Operator hereunder shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as though such representation or warranty was made on such date. All representations and warranties shall survive the Closing Date for a period of two (2) years.

19. **NON SOLICITATION.** Neither Old Operator nor any of its or their affiliates or principals shall knowingly and intentionally solicit any residents of the Facility to terminate their residency thereof, for a period of eighteen (18) months following the Closing. Old Operator acknowledges that if there is a violation of any provision of this Section 19, then Old Operator shall pay to New Operator an amount equal to Fifty Thousand Dollars (\$50,000.00) as liquidated damages, for each such resident. The parties agree and acknowledge that actual damages with respect to the foregoing would be difficult to ascertain and that Fifty Thousand Dollars (\$50,000.00) is a fair and reasonable approximation of such actual damages. This provision shall not in any way limit such other remedies as may be available to New Operator at law or in equity. Old Operator further acknowledges that the scope and duration of the provisions of this Section 19 are reasonable.

20. **NO JOINT VENTURE.** Nothing contained herein shall be construed as forming a joint venture or partnership between the parties hereto with respect to the subject matter hereof. The parties hereto do not intend that any third party shall have any rights under this Agreement.

21. **EXHIBITS AND SCHEDULES.** Old Operator shall have the right from time to time prior to the Closing to supplement any schedule attached hereto on the date hereof with respect to any matter that arises or becomes known by Old Operator after the date hereof and that would have been required or permitted to be set forth or described in the schedules had such matter existed or been known to Old Operator as of the date of this Agreement. Unless New Operator shall notify Old Operator within

seven (7) days of receipt of such disclosure that New Operator has determined that such supplemental disclosure has or will have a Material Adverse Change, such disclosure shall be deemed to be immaterial, and New Operator shall be deemed to have waived the right to raise the information provided in such supplemental disclosure as a condition to its obligation to Close pursuant to Section 3 hereof, or as a basis for an indemnification claim under Section 16(b) hereof.

22. **COVID-19 Funds.** New Operator acknowledges that Existing Operator has received, and may continue to receive after the Closing Date: (1) funds made available to Existing Operator pursuant to the Coronavirus Aid, Relief and Economic Security Act (“CARES Act Payments”), (2) advanced payments from CMS pursuant to the CMS Accelerated and Advance Payment Program related to COVID-19 (“Medicare Advance Payments”), and/or (3) certain other stimulus funds related to COVID-19 which are not CARES Act Payments or Medicare Advance Payments (“Other COVID-19 Funds”). Existing Operator or their Affiliates shall be entitled to retain any CARES Act Payments received prior to the Closing Date. To the extent that additional CARES Act Payments are received by Existing Operator after the Closing Date, and such payments are required to be used for costs and expenses related to the Facilities for the period on or following the Closing Date, Existing Operator shall return all such CARES Act Payments to CMS pursuant to the guidance and procedures set forth by CMS for return of such CARES Act Payments. Following the return of such CARES Act Payments, Existing Operator shall reasonably cooperate with New Operator in their applications to CMS for reissuance of such CARES Act Payments to New Operator. For the avoidance of doubt, in no event shall Existing Operator or their Affiliates be obligated to transfer any CARES Act Payments to New Operator or their Affiliates. Neither Existing Operator nor their Affiliates shall have any obligation to transfer to New Operator or their Affiliates any Medicare Advance Payments received by Existing Operator, whether received on or after the Closing Date, and will return any such Medicare Advance Payments to CMS to the extent, and within the applicable timeframe, required by any applicable Legal Requirements. With respect to any Other COVID-19 Funds received by Existing Operator, Existing Operator shall reasonably cooperate with New Operator in good faith to address such Other COVID-19 Funds in accordance with applicable Legal Requirements. To the extent that any CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds, which relate to the period prior to the Closing Date or are received under Existing Operator’ provider numbers or tax identification numbers, are received by New Operator after the Closing Date, to the extent permitted by applicable Legal Requirements, New Operator shall remit any such funds received by New Operator to Existing Operator in the same manner as Existing Operator’ Accounts Receivable under Section 9. To the extent that New Operator are prohibited from remitting such funds to Existing Operator pursuant to applicable Legal Requirements, New Operator shall reasonably cooperate with Existing Operator in good faith to address such funds in accordance with applicable Legal Requirements, including, without limitation, returning such funds to the applicable Governmental Body if required by applicable Legal Requirements and reasonably cooperating with Existing Operator in applying for or otherwise requesting the applicable Governmental Body to reissue such funds to Existing Operator. Nothing in this Agreement shall be construed to prohibit New Operator from applying for and receiving any CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds with respect to their operation of the Facilities from and after the Closing Date.

23. In the event that Existing Operator have received any advance on its Medicare, Medicaid, or other third-party payor receivables (“Advances”) at any time prior to the Closing Date for dates of services on or after the Effective Time that have not been re-paid prior to Closing and shall be required to be repaid after the Closing Date (i.e. excluding CARES Act Payments), Existing Operator shall pay to New Operator at Closing a credit equal to 100% of all such Advances for dates of service beginning on and after the Closing Date. Furthermore, if at any time after the Effective Time, New Operator receives any advances, rate adjustments or other payments on its Medicare, Medicaid, or other third-party payor receivables attributable to dates of services before the Effective Time, such amounts shall be paid to Existing Operator.

24. Notwithstanding anything in this Agreement to the contrary, in the event that Existing Operators receive any grant payments, stimulus payments, retroactive rate adjustments, and any and all other payments and support paid with respect to the Facility in relation to COVID-19 relief efforts following the date of this Agreement but prior to Closing (“COVID Payments”), such amounts will be utilized by Existing Operators only in the operation of the Facility to cover direct, actual COVID-19-related expenses incurred by Existing Operators prior to Closing and in accordance with the Laws governing such COVID Payments. In the event that all such COVID Payments cannot or otherwise have not been expended by Existing Operators on COVID-19-related expenses prior to the Closing Date, then prior to returning any such COVID Payments to the applicable Governmental Authority, if required by Law, Existing Operators shall cooperate in good faith with New Operator to take whatever steps are reasonably necessary to ensure that the Facility receives the benefit of such COVID Payments after the Closing Date (which may include transferring the COVID Payments to New Operator if allowed under applicable Law, acquiring additional personal protective equipment to be used by New Operator after the Closing, or otherwise working with New Operator to ensure that it is able to receive the benefit of the COVID Payments in a manner consistent with applicable Law and to benefit the interest of the Facility and its residents). Without intending to limit the foregoing, Existing Operators shall ensure that the Facilities will have on hand an adequate stock of personal protective equipment for the Facility, in any event not less than 7 days’ worth based on the Facilities’ then current usage rate, all of which shall transfer to New Operator at Closing.

25. **Paycheck Protection Program Loans.** If, at the time of Closing, Existing Operators have received funds from the Paycheck Protection Program (“PPP”) which funds have not been either (i) forgiven in writing by the Small Business Administration or the PPP lender as applicable, or (ii) repaid in full, then Existing Operators shall comply with the requirements set forth in the SBA Procedural Notice effective as of October 2, 2020 (the “SBA Notice”), including, but not limited to, completion and submission of a forgiveness application to the PPP lender and establishing an escrow with such lender as required by the SBA Notice.

26. **Cooperation.** The Parties shall comply with all applicable laws related to the COVID Payments, PPP loans, and Advances described herein. The Parties will reasonably cooperate with any information requests related to COVID Payments, PPP loans, and Advances in order to comply with regulatory and reporting requirements. This Section 27 shall survive Closing.

27. **EVENTS OF DEFAULT; REMEDIES.** Except as to those specific notices and cure periods, if any, particularly set forth elsewhere herein, the breach by either party (“Defaulting Party”) hereto of any term, provision, condition, promise, covenant, agreement, representation, warranty, guaranty, indemnity, duty or obligation if not cured within five (5) business days of the earlier of said Defaulting Party’s receipt or refusal of written notice of the same from the other party (“Non-Defaulting Party”) hereto shall automatically and without further notice hereunder be an immediate event of default (“Event of Default”) entitling the Non- Defaulting Party to exercise any and all remedies available to it hereunder or in law or equity, provided, however, that if a non-monetary breach is not reasonably capable of being cured within the aforesaid five (5) business days but the Defaulting Party promptly commences to cure within said period, within said period notifies the Non-Defaulting Party in writing of the commencement of said cure, and thereafter diligently pursues the same to conclusion and successfully completes said cure within thirty (30) calendar days of its first receipt of notice of said breach or violation, it shall not be an Event of Default hereunder. The Non-Defaulting Party’s rights and remedies hereunder shall be cumulative and not mutually exclusive and the exercise by the Non-Defaulting Party of one or more rights or remedies granted it hereunder or in law or equity shall not be deemed, interpreted or construed as an election of the same or to bar, prevent or preclude the simultaneous or consecutive exercise of any other right or remedy granted to the Non-Defaulting Party hereunder or in law or equity, including but not limited to the simultaneous or

successive pursuit of money damages and injunctive relief. The Non- Defaulting Party shall not be required to post any bond, surety or security of any nature whatsoever to pursue injunctive relief, the necessity or requirement for the same being hereby waived by the Defaulting Party.

28. **CHOICE OF LAW.** THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ALABAMA AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF ALABAMA OR ANY OTHER JURISDICTION).

29. **JURISDICTION: VENUE.** ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREIN SHALL BE BROUGHT BEFORE ANY COURT HAVING SITUS IN CRITTENDEN COUNTY, ALABAMA. EACH OF THE PARTIES HERETO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID COUNTY AND STATE. TO THE EXTENT LEGALLY WAIVABLE, EACH OF THE PARTIES HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH PARTIES BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY, AT THE ADDRESS SET FORTH FOR NOTICE IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THIS SECTION.

30. **ATTORNEYS' FEES IN THE EVENT OF DISPUTE.** In the event any dispute between the parties hereto that results in arbitration or litigation (including any enforcement action of an arbitration award or any action to compel arbitration or change venue), the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees.

31. **DEFINITIONS.** For purposes of this Agreement, the following terms shall have the following meanings (all terms used in this Agreement which are not defined in this paragraph shall have the meanings set forth elsewhere in this Agreement, and any capitalized terms used by not defined in this Agreement shall have the meanings ascribed to them in the PSA):

a. "CMS" shall mean the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

b. "Contracts" shall mean all contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts and consulting agreements, and all of Old Operator's duties, obligations, covenants, promises, rights and privileges therein or thereunder to which the Old Operator or its predecessors or agents is a party and which relate to the Facility and the operations thereof.

c. "Environmental Laws" shall mean all federal, state and local environmental, health, or safety laws or regulations now or hereafter enacted.

d. "Hazardous Substances" shall mean any toxic or hazardous waste or pollutants, or substances, including, without limitation, asbestos, PCB's, petroleum products and by products, substances defined or listed as: "Hazardous Substances " or "Toxic Substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. § 9601, et seq., "Hazardous Materials" in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, et seq., "Hazardous Waste" in The Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2061, et seq., any "Toxic Pollutant" under the Clean Water Act, 33 U.S.C. §1251, et seq., as amended, any "Hazardous Air Pollutant" under the Clean Air Act, 42 U.S.C. § 7401, et seq., and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws.

e. "Material Adverse Change" shall mean any circumstance, event, effect or change that, individually or in the aggregate, is or would reasonably be expected to be materially adverse to (1) the business, assets, results of operations or financial condition of the Facilities taken as a whole, or (2) the ability of the Old Operator to perform its obligations under this Agreement or to consummate the transactions contemplated herein; provided, however, that in no event shall any of the following facts, circumstances, events, changes, occurrences or effects, alone or in combination, be deemed to constitute, or be taken into account, in determining whether there is a Material Adverse Change: (i) any change in general economic, business, financial, credit or market conditions internationally, nationally or locally; (ii) any action taken by Old Operator that is expressly permitted or required by this Agreement; (iii) any occurrence generally affecting the residential health care industry, including any changes to reimbursement methodology; (iv) any change in GAAP or applicable law or the interpretation thereof; (v) any act of terrorism, war (whether or not declared), national disaster or any national or international calamity affecting the United States; (vi) any losses arising or incurred in the ordinary and usual course of operating the Old Operator's business; or (vii) any effect resulting from the execution of this Agreement, the announcement of this Agreement, the consummation of the transactions contemplated hereby, the identity of New Operator or any breach by New Operator of any provision hereof.

f. "OIG" shall mean the United States Department of Health and Human Services, Office of Inspector General.

g. "Supplies" shall mean the food, central supplies, linens and housekeeping supplies and other consumable and non-consumable inventory present at the Facility as of the Closing Date and any other property of Old Operator used in connection with the operation of the Facility.

32. GENERAL PROVISIONS.

a. Each party hereto agrees to use commercially reasonable efforts to cause the conditions to its obligations and to the other party's obligations herein set forth to be satisfied at or prior to the Closing Date. Each of the parties hereto agrees to execute and deliver any further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder. Each party shall promptly notify the other party of any information delivered to or obtained by such party which would prevent the consummation of the transactions contemplated hereby, or which would indicate a breach of the representations or warranties of any

other party hereto.

b. All notices to be given by either party to this Agreement to the other party hereto shall be in writing, and shall be: (i) given in person; (ii) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) sent by national overnight courier service, priority next business day service; or (iv) sent by facsimile or e-mail (followed by delivery by one of the other means identified in (i)-(iii)) each addressed as follows:

Notices to New Operator:

With a copy to: Koss & Schonfeld, LLP
90 John Street – Suite 503
New York NY 10038
Attn: Allen Koss Esq.
Email avk@kandsllp.com
Phone: (212) 796-8915
Fax: (212) 401-4757

Notices to Old Operator: Mobile Nursing Operations, LLC

With a copy to: Haskins Jones, LLC
2805 2nd Avenue South, Suite 200
Birmingham, AL 35233

Any such notice personally delivered shall be deemed delivered when actually received; any such notice deposited in, the United States mail, registered or certified, return receipt requested, with all postage prepaid, shall be deemed to have been given on the earlier of the date received or the date when delivery is first refused; any notice deposited with an overnight courier service for delivery shall be deemed delivered on the next business day following such deposit; and any such notice delivered via facsimile shall be deemed delivered upon the notifying party's receipt of facsimile confirmation provided that the notifying party follows up such facsimile transmission with one of the other means identified above. Any party to whom notices are to be sent pursuant to this Agreement may from time to time change its address for further communications thereunder by giving notice in the manner prescribed herein to all other parties hereto.

c. Each party hereto shall bear its own legal, accounting and other expenses incurred in connection with the preparation and negotiation of this Agreement and the consummation of the transaction contemplated hereby, whether or not the transaction is consummated.

d. This Agreement, together with all exhibits and schedules attached hereto and any other agreements referred to herein (including the PSA), constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements.

e. This Agreement may not be modified or amended except in writing signed by the parties hereto. Old Operator shall not assign this Agreement without first obtaining the written consent of New Operator. Prior to the Closing Date, New Operator shall have the unilateral right to assign this Agreement to one or more entities created by (or with the consent of) New Operator in which New Operator or its principals is a member or manager. In connection with such assignment, such assignee shall expressly assume all rights and obligations of New Operator hereunder, in which event the initial New Operator shall have no liability under this Agreement. New Operator or such assignee shall have the right to collaterally assign the rights of New Operator respecting remedies in the event of breaches of Old Operator's representations, warranties and covenants and rights of indemnification hereunder to any lender.

f. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

g. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

h. Captions of paragraphs are for convenience only and are not part of this Agreement and do not affect, change or modify the paragraphs they precede.

i. All understandings and agreements heretofore and between the parties are merged in this Agreement and all exhibits and schedules attached hereto and any other agreements referred to herein, which alone fully and completely expresses their agreement.

j. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.

k. All of the provisions of this Agreement shall be deemed and construed to be "conditions" and "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof.

l. The recitals set forth at the beginning of this Agreement constitute an integral part of this Agreement and are hereby incorporated by reference herein and made a part hereof as if fully set forth herein.

m. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or "any" shall mean "any and all"; "or" shall mean "and/or" and "including" shall mean "including without limitation".

n. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby,

but each term and provision shall be valid and be enforced to the fullest extent permitted by law.

o. The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

OLD OPERATOR:

MOBILE NURSING OPERATIONS, LLC

By: _____

Name:

Title:

NEW OPERATOR:

□



By: _____

Name:

Title:

Shalom Lerner
Manager

Schedule 1
FACILITY DESCRIPTION

Exhibit A
FORM OF GENERAL ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION, is made as of the _day of _ 201_, by [____] (“Assignor”), to [_], a [_____] (“Assignee”).

WITNESSETH:

WHEREAS, by Operations Transfer Agreement (the “OTA”), dated as of _____, 2016, by and among Assignor and Assignee, Assignor agreed to sell to Assignee certain personal property and such other assets, as more fully described in the OTA (the “Transferred Assets”) (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA); and

WHEREAS, the OTA provides, inter alia, that Assignor shall assign to Assignee, the Permits, the Patient Trust Funds and Property, the Warranties, the Assumed Contracts, the Resident Agreements and such other items applicable to the Transferred Assets, as more fully provided in the OTA; and

WHEREAS, the OTA provides, inter alia, that Assignee shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations under the Permits, Patient Trust Funds and Property, the Warranties, the Assumed Contracts and the Resident Agreements arising on or after the Closing Date;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Transfer of Permits**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s right, title and interest in, to and under the Permits.
2. **Transfer of Warranties**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s right, title and interest in, to and under the Warranties.
3. **Transfer of Patient Trust Funds and Property**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor’s right, title and interest in, to and under the Patient Trust Funds and Property.
4. **Contracts and Resident Agreements**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor’s right, title and interest in, to the Assumed Contracts, as well as all Resident Agreements.
5. **Assumption**. Assignee hereby accepts the foregoing assignments set forth in Sections 1, 2, 3, and 4 hereof; provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.
6. **Miscellaneous**. This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the OTA, shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and

construed in accordance with the laws of the State of Alabama (without giving effect to any choice or conflict of law provision or rule, whether of the State of Alabama or any other jurisdiction) and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day and year first above written.

ASSIGNOR

[_] By: Name: Its:

ASSIGNEE

[_] By: Name: Its:

Exhibit B
Form of Escrow Agreement

EXHIBIT C

FORM OF BILL OF SALE

[], a _____ (“Old Operator”), in consideration of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to [_], a _____ (“New Operator”), all of its right, title and interest in and to the following described personal property, to-wit:

All of the “Supplies” and other “Personal Property”, as defined in that certain Operations Transfer Agreement (“OTA”), dated as of _____, 2019, by and among Old Operator and New Operator.

Old Operator hereby represents and warrants to New Operator that Old Operator is the absolute owner of said property that said property is free and clear of all liens, charges and encumbrances, and that Old Operator has full right, power and authority to sell said personal property and to make this Bill of Sale. Except as set forth in the OTA, all warranties of quality, fitness and merchantability are hereby excluded.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Old Operator has caused this Bill of Sale to be signed and sealed in its name by its _____ thereunto duly authorized this _____ day of _____, 201__.

OLD OPERATOR

[_]

By: ____

Name:

Its: