

RECEIVED

CHANGE OF OWNERSHIP

JUL 15 2015

Part I: Purchasing Organization Information

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Name of Organization:

DaySpring Hospice LLC

Facility Name: (ADPH Licensure name)

DaySpring Hospice LLC

SHPDA ID Number:

E1604

Address (PO Box #):

P O Box 311246

City, State, Zip, County:

Enterprise AL

Number/Type Licensed Beds:

N/A

Owner(s):

(Attached)

Operator(s):

Downa Hendrix - Exec Director

Part II: Selling Organization Information

Name of Organization:

DaySpring Hospice, LLC

Address (PO Box #):

PO Box 311246

City, State, Zip, County:

Enterprise AL 36330 (Coffee)

Number/Type Licensed Beds:

N/A

Owner(s):

Downa R. Hendrix 5/90

Operator(s):

Downa R. Hendrix

Part III: Value of Consideration

Monetary Value of Purchase: \$

No./Type Beds:

N/A

Terms of Purchase:

Stock Purchase 80%
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds:

N/A

Types of Institutional Health Services:

Hospice

List Service Area by County for Home Health Agencies:

Coffe, Covington, Geneva
Date, Houston, Pike

On an Attached Sheet Please Address the Following:

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):

Owner(s): *Jenna B. Hendrix*

Operator(s): *Jenna B. Hendrix*

Title/Date: *Managing Member, Admin. 7/13/15*

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

YES NO

The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature:

[Signature]

Title/Date:

Member 7/13/15

MEMBER INTEREST PURCHASE AGREEMENT

MEMBER INTEREST PURCHASE AGREEMENT dated as of July 13, 2015, (the "Agreement") among Donna R. Hendrix, an individual resident of the State of Alabama ("Hendrix"), Larry B. Smith, an individual resident of the State of Georgia, Selrahc Limited Partnership, an Alabama limited partnership, Mary Charles Ward, an individual resident of the State of Alabama, William B. Searcy, an individual resident of the State of Alabama, Dykes Adkison, an individual resident of the State of Alabama, Deborah Christine Paulk, an individual resident of the State of Alabama, Dr. James F. Paulk, an individual resident of the State of Alabama (collectively referred to as the "Seller" or the "Sellers"), and Peoples Home Health, LLC, a Florida limited liability company ("PHH"), Peoples Healthcare, LLC, a Georgia limited liability company ("PHC"), and Tim Buttell, an individual resident of the State of Florida ("Buttell") (PHH, PHC and Buttell collectively referred to as "Buyer" or "Buyers").

RECITALS

WHEREAS, the Sellers in the aggregate own all of the issued and outstanding member interests (the "Member Interests") of Day Spring Hospice, LLC an Alabama limited liability company ("DaySpring" or the "Company") in the percentages as set forth on Exhibit A attached hereto; and

WHEREAS, Sellers desires to sell to Buyers, and Buyers desire to purchase from Sellers, 80% of the Member Interests with 20% of the Member Interests retained by Hendrix and with Buyers having the option to purchase 15% of the Member Interests from Hendrix, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

Article I. Definitions

1.1 Definitions. For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"Agreement" means this Agreement and includes all of the schedules and exhibits annexed hereto.

"Amended and Restated Operating Agreement" means the Amended and Restated Operating Agreement of the Company as provided to Hendrix for review.

"EBITDA" means the Company's earnings before interest, tax, depreciation and amortization expenses.

"Employee Plans" means all employee benefit plans (as defined by ERISA) and all other qualified and non qualified pension and profit-sharing, incentive compensation, commission, deferred compensation vacation, medical, dental, life, disability or other group insurance,

severance, salary continuation death benefit and other benefit or compensation plans, arrangements, agreements and payroll practices maintained by the Company or to which the Company is a party or is bound, or with respect to which payments or contributions are required to be made by the Company, or in respect of which the Company may otherwise have any liability.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Healthcare Laws” means all applicable health care (including those pertaining to insurance) laws, conditions of enrollment and participation, reimbursement and billing requirements, accreditation standards and requirements of all governmental authorities having jurisdiction over the Company or Seller.

“Lease” means the lease agreement entered into by the Company and ~~Sellers~~ for certain premises located at 201 W Lee St. Guntersville AL

Article II. Purchase and Sale

2.1 Purchase and Sale. Sellers agree to sell, transfer, assign, convey and deliver to Buyers, and Buyers agree to purchase from Sellers, 80% of the Member Interests, free and clear of all Encumbrances, with Hendrix retaining 20% of the Member Interests.

Article III. Option

3.1 Option.

(a) Buyer shall have the option to purchase 15% of the issued and outstanding Member Interests owned by Hendrix (the “Optioned Member Interests”) over the three (3) year period after the Closing Date as follows: Buyer may purchase up to 5% Member Interests annually on each of the first and second anniversary dates of the Closing and up to all of the remaining 15% of the Optioned Member Interests on the third anniversary date of Closing. The Option Purchase Price to be paid by Buyer shall be the greater of Five (5) times EBITDA for the 12 month period immediately preceding a respective anniversary date divided by the number of percentage Member Interests to be acquired or \$12,500 times the number of percentage of Membership Interests to be acquired. Buyer shall have 90 days after any anniversary date to exercise the option for that anniversary so that the Company will have time to determine the EBITDA for the 12 month period ending on the anniversary date.

Article IV. Purchase Price

4.1 Purchase Price.

The total purchase price for the eighty (80%) percent of the issued and outstanding Member Interests shall be ~~€ [REDACTED]~~ payable by Buyer to Sellers at Closing. Buyer shall receive credit against the Purchase Price for all debt and liabilities of the Company including all amounts advanced by PHH to Hendrix for investment in the Company prior to Closing. DaySpring shall provide Buyer with the Company’s best estimate of all existing debt immediately prior to Closing.

4.2 Closing. The Closing shall occur no later than October 1, 2015 at a time and place mutually agreeable to the Sellers and the Buyer.

4.3 Escrow. The sum of One Hundred and No/100 Dollars (\$100,000.00) of the Purchase Price shall be placed into escrow (the "Escrow") in an interest bearing account held in the name of the Buyers for a period of one year (the "Term") to serve as security for any claims of Buyers against Sellers hereunder. At the end of the Term, all Escrow funds plus interest earned thereon minus any claims pending shall be released by the Buyers and distributed to the Sellers. Any amounts remaining in Escrow plus interest earned thereon after the resolution of any claims of Buyers shall likewise be distributed to Sellers as soon as reasonably possible after the resolution of any such claims.

Article V. Representations and Warranties of the Company and Sellers

As a material inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated herein, the Company and Sellers hereby, jointly and severally, represent and warrant to Buyers as follows:

5.1 Organization Qualification and Authority; Capitalization.

(a) The Company is a limited liability company duly incorporated, validly existing under the laws of Alabama, and is in good standing and duly qualified to do business in all jurisdictions where the operation of its business or the ownership of its properties make such qualification necessary. The Company has the full power and authority to own, lease and operate its business and assets as presently owned, leased and operated, and to carry on its business as it is now being conducted. Except for Sellers, no other person or entity owns or holds, has any interest in, whether legal, equitable or beneficial, or has the right to purchase, any membership interest or other security of the Company. The Company has the full right, power and authority to execute, deliver and carry out the terms of this Agreement and all documents and agreements necessary to give effect to the provisions of this Agreement and to consummate the transactions contemplated on the part of the Company hereunder. Sellers have the full right, power and authority to execute, deliver and carry out the terms of this Agreement and all documents and agreements necessary to give effect to the provisions of this Agreement, to consummate the transactions contemplated on the part of Sellers hereunder, and to take all actions necessary, in their capacity as the members of the Company, to permit or approve the actions of the Company taken in connection with this Agreement. The execution, delivery and consummation of this Agreement, and all other agreements and documents executed in connection herewith by the Company, have been duly authorized by all necessary action on the part of the Company. No other action, consent or approval on the part of the Company, Sellers or any other Person, is necessary to authorize the Company's due and valid execution, delivery and consummation of this Agreement and all other agreements and documents executed in connection hereto. This Agreement and all other agreements and documents executed in connection herewith by the Company and/or Seller, upon due execution and delivery thereof, shall constitute the valid and binding obligations of each of the Company and each Seller, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

(b) Sellers own all of the Member Interests free and clear of all liens and encumbrances. The Member Interests have been duly and validly authorized and issued, and are fully paid and nonassessable.

(c) The Company does not own any capital stock, security, member interest, interest or other right, or any option, warrant or other security convertible or exercisable into same, of any other entity.

5.2 No Violations. The execution and delivery of this Agreement and the performance by the Company and Seller of their respective obligations hereunder (i) do not and will not conflict with or violate any provision of the articles of organization, operating agreement or similar organizational documents of the Company, and (ii) do not and will not (a) conflict with or result in a breach of the terms, conditions or provisions of, (b) constitute a Default under, (c) result in the creation of any Encumbrance upon the assets of the Company pursuant to, (d) give any third party the right to modify, terminate or accelerate any obligation under, (e) result in a violation of, or (f) require any authorization, consent, approval, exemption or other action by or notice to any court or administrative, arbitration or governmental body or other third party pursuant to, any law, contract, order, judgment or decree to which the Company or Seller is subject or by which any of their respective assets are bound.

5.3 Financial Statements. The Financial Statements of the Company (the "Financials") provided to Buyer have been prepared in accordance with GAAP. The Financials fairly present the financial position of the Company as of the dates specified and the results of operations in all material respects of the Company for the periods covered thereby, and the Company does not have any liabilities, that are not either (i) reflected or fully reserved against on the latest Balance Sheet or (ii) set forth on the disclosure schedules hereto.

5.4 Interim Changes. Since the date of the latest Balance Sheet provided to Buyer, there has been no:

(a) change in the condition, financial or otherwise, of the Company which has, or could reasonably be expected to have a material adverse effect;

(b) loss, damage or destruction of or to any of the material assets of the Company, whether or not covered by insurance;

(c) sale, lease, transfer or other disposition by the Company, or mortgages or pledges of or the imposition of any encumbrance on any portion of the assets of the Company;

(d) increase in the compensation payable by the Company to any of the Company's employees, directors, independent contractors or agents, or any increase in, or institution of, any bonus, insurance, pension, profit-sharing or other employee benefit plan or arrangements made to, for or with the employees, directors, Seller or independent contractors of the Company;

(e) cumulative net operating loss incurred in the operation of the Business;

- (f) adjustment or write-off of receivables or reduction in reserves for receivables outside of the ordinary course of business or any material change in the collection, payment or credit experience or practices of the Company;
- (g) change in the tax or accounting methods or practices employed by the Company or change in depreciation or amortization policies;
- (h) issuance or sale by the Company or Seller, or any Contract entered into by the Company or Seller, for the issuance or sale, of any shares of Member Interests or securities convertible into or exchangeable for Member Interests of the Company;
- (i) payment by the Company of any dividend or distribution other than in the ordinary course of business, or any extraordinary or unusual disbursement or expenditure or intercompany payable;
- (j) payment of any long-term liability or indebtedness for borrowed money other than in the ordinary course of business and disclosed to Buyer;
- (k) merger, consolidation or similar transaction, or solicitations therefor;
- (l) state or local statutes, rule, regulation, order or case adopted, promulgated or decided which, to Seller's knowledge, has, or could reasonably be expected to, result in a material adverse effect on the Business or the Company;
- (m) strike, work stoppage or other labor dispute by the Company's employees adversely affecting the Business;
- (n) termination, waiver or cancellation of any material rights or claims of the Company;
- (o) any incurrence of indebtedness for borrowed money;
- (p) any new Contract (or amendment to any existing Contract) obligating the Company to purchase goods or services for a period of 90 days or more, or any material amendment or termination of any material Contract or license relating to the Business;
- (q) any agreement, arrangement or transaction between the Company and any Affiliate of the Company;
- (r) any other transaction not in the ordinary course of business and consistent with past practices of the Business that, individually or in the aggregate, could have a Material Adverse Effect; or
- (s) any commitment with respect to any of the foregoing.

5.5 Licenses and Permits.

The Company has all local, state and federal licenses, permits, registrations, certificates,

contracts, consents, accreditations and approvals (collectively, the “Licenses and Permits”) necessary for the Company to occupy, operate and conduct the Business, and there does not exist any waivers or exemptions relating thereto. There is no material default on the part of the Company under any of the Licenses and Permits. There exist no grounds for revocation, suspension or limitation of any of the Licenses or Permits. Other than the Certificate of Need issued by the State of Alabama, no License or Permit requires any notice to, or approval by, any governmental agency due to the proposed change of control provided for in this Agreement.

5.6 Medicare, Medicaid and Other Third-Party Payors.

(a) The Company participates in the Medicare and Medicaid Programs (the “Programs”). Complete and correct copies of all of the Program Agreements or, if such Contracts do not exist, other documentation evidencing participation in such Programs have been delivered to Buyer prior to the Closing. In all material respects, except as described on Schedule 5.6(a) attached hereto, the Company is in compliance with rules and policies respecting each third party payor contract, including all certification, billing, reimbursement and documentation requirements, and there is no pending, or threatened revocation, suspension, termination, probation, restriction, limitation or nonrenewal affecting any of the Company’s third party payor contracts.

(b) Since formation, except as described on Schedule 5.6(b) attached hereto the Company has filed all claims or other reports required to be filed in order to receive reimbursement with respect to the provision of services, products and supplies covered under any Medical Reimbursement Program, in accordance with all Laws and requirements applicable to the Medical Reimbursement Programs, each as in effect on or before the Closing Date. Except as described on Schedule 5.6(b) attached hereto, the Company has not received any notice from Medicare or Medicaid of any overpayment, false or improper claims, civil money penalties, or any offsets or recoupments against future reimbursement, nor is there any reasonable basis for the delivery of any such notice, including, but not limited to, any basis to believe an audit would identify any failings in supporting documentation such as missing visit notes, lack of physician signatures on plans of care, missing plans of care, or similar errors. Except as described on Schedule 5.6(b) attached hereto, the Company has not received any document requests or other notices from any Medicare regarding any audits, from any Medicare or Medicaid Contractor including a Zone Program Integrity Contractor, a Recovery Audit Contractor, a Medicaid Integrity Contractor or any similar government contractor, regarding alleged overpayments or requests for documentation; or from any Medicaid auditor or contractor regarding the same. There are no pending appeals, adjustments, challenges, audits, litigation, or notices of intent to reopen or open cost reports or claims, in connection with the operation of the Business with respect to any Medical Reimbursement Program.

(c) The Company (i) has not been charged with or convicted of any criminal offense relating to the delivery of an item or service under Medicare, Medicaid or any other Federal Health Care Program, or relating to the unlawful distribution, prescription, dispensing or delivery of a controlled substance; (ii) has not been debarred, excluded or suspended from participation in Medicare, Medicaid or any other Federal Health Care Program; (iii) has not had a civil monetary penalty assessed against such Person under Section 1128A of the Social Security Act; (iv) is not currently listed on the General Services Administration published list of parties

excluded from federal procurement programs and non-procurement programs; and (v) is not the target or subject of any current or potential investigation relating to any Medicare, Medicaid or any other Federal Health Care Program related offense.

(d) Neither the Company nor any of its directors, officers or employees has engaged in any activities which are in violation of the federal Medicare or federal or state Medicaid statutes, Sections 1128, 1128A, 1128B, 1128C or 1877 of the Social Security Act (42 U.S.C. §§ 1320a-7, 1320a7a, 1320a-7b, 1320a-7c and 1395nn), the federal TRICARE statute (10 U.S.C. § 1071 et seq.), the False Claims Act (31 U.S.C. § 3729 et seq.), the False Statements Accountability Act (18 U.S.C. § 1001), the Program Fraud Civil Remedies Act (31 U.S.C. § 3801 et seq.), the anti-fraud and related provisions of HIPAA (e.g., 18 U.S.C. §§ 1035 and 1347), or related regulations or other federal or state laws and regulations in effect on or before the Closing Date, including, without limitation, the following:

(i) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment;

(ii) knowingly and willfully making or causing to be made a false statement or representation of a material fact for use in determining rights to any benefit or payment;

(iii) failure to disclose knowledge by a Medicare or Medicaid claimant or a claimant under any Medical Reimbursement Program of the occurrence of any event affecting the initial or continued right to any benefit or payment on its own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment;

(iv) knowingly and willfully offering, paying, soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or kind (A) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by any Federal Health Care Program; or (B) in return for purchasing, leasing, or ordering, or arranging, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part by any Federal Health Care Program; or

(v) any other activity which violates any state or federal Law in effect on or before the Closing Date relating to prohibiting fraudulent, abusive or unlawful practices connected in any way with the provision of health care items or services or the billing for such items or services provided to a beneficiary of any Medical Reimbursement Program.

(e) Except as described on Schedule 5.6(e) attached hereto, the business and operations of the Company have been and are in material compliance with all applicable Laws in

effect on or before the Closing Date and relating to patient or individual healthcare information, including the Administrative Simplification requirements of HIPAA, Pub. L. No. 104-191.

(f) The Company has made available to the Purchaser copies of all reports of audits, surveys or inspections by or on behalf of any Governmental Entity or accrediting agency to the extent such reports reflect any material adverse findings, deficiencies or other failure to meet any applicable Laws or accreditation standards in effect on or before the Closing Date, as applicable.

(g) Attached hereto as Schedule 5.6(g) is a list as of the date of this Agreement, of the Company's location, provider type, Licenses, accreditations, tax identification number, Medicare and Medicaid billing numbers, owner, and owner's taxpayer status (taxable or tax-exempt) which list is true and correct in all material respects.

5.7 Real Property.

(a) The Company does not own any real property.

(b) Each Lease of premises utilized by the Company in connection with the Business is legal, valid and binding in all material respects, as between the Company and the other party or parties thereto, and the Company is a tenant or possessor in good standing thereunder, free of any material default or breach on the part of the Company and free of any material default or breach on the part of the lessors thereunder, and quietly enjoys the premises provided for therein.

5.8 Personal Property. The Company has good and marketable title to its assets (other than personal property which is leased) free and clear of all liens and encumbrances. The Company's assets have been maintained in good working condition (normal wear and tear excepted) and are sufficient for the conduct of the Business as presently conducted. The Company's receivables represent bona fide obligations arising in the ordinary course of the Business and are fully collectible by the Company, net of reserves for doubtful accounts.

5.9 Contracts.

(a) Schedule 5.9(a) hereto sets forth a complete and correct list and summary description of all contracts ("Contracts") to which the Company is a party or to which its respective assets are subject (excluding customary inventory purchase orders in the ordinary course of business) which:

(i) involve consideration or payments with a value in total of \$1,000 or more,

(ii) which will require the Company to purchase or provide goods or services for a period of more than 90 days after the Closing Date,

(iii) which evidence or provide for any indebtedness for borrowed money for which the Company will be liable following the Closing or any encumbrance on any of its assets,

(iv) which guarantee the performance, liabilities or obligations of any other entity, which restrict in any material respect the ability of the Company to conduct any business activities, which involve any related party, including any affiliate of the Company,

(v) which provide for noncompetition agreements, or restrict the Company from engaging in any line of business in any location,

(vi) which relates to the hiring or leasing of employees, which are not in the ordinary course of business,

(vii) which are subject to termination or modification by any third party as a result of the transactions contemplated by this Agreement,

(viii) which provide for clinical services from third parties, which relate to provider agreements relating to managed care, fee for service or subcontracting, or

(ix) which, in Seller's reasonable judgment, are otherwise material to the Business.

(b) The Company is not in material breach of any Contract set forth on Schedule 5.9(a), nor is any third party in material breach of any such Contract. True and complete copies of all agreements set forth on Schedule 5.9(a) have previously been delivered to Buyer.

(c) Except as set forth on Schedule 5.9(c), the sale of the Member Interests will not be an event default, alter or terminate any such Contracts.

5.10 Environmental and Safety Matters.

The Company is and has been in compliance at all times with all applicable Environmental Laws and has received no notice, report or information regarding any liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), or any corrective, investigatory or remedial obligations, arising under applicable Environmental Laws with respect to the past or present operations or properties of the Business.

5.11 Litigation.

(a) Except as set forth on Schedule 5.11 attached hereto, neither the Company nor Seller have received notice of any violation of any law, rule, regulation, ordinance or order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including legislation and regulations applicable to the Medicare and Medicaid programs, environmental protection, civil rights, public health and safety and occupational health). There are no lawsuits, proceedings, actions, arbitrations, governmental investigations, claims, inquiries or proceedings pending or, to Seller's knowledge, threatened involving the Company, Seller, or any of the Company's assets or the Business.

(b) Health Care Regulatory Litigation. Except as set forth on Schedule 5.11 attached hereto, there is no threatened or pending exclusion, revocation, suspension, termination,

probation, restriction, limitation or nonrenewal affecting Company's participation or enrollment in any of the Programs and third party payor contracts to which the Company is a party. Neither the Company nor the Seller is currently the subject of any investigation, inquiry, audit or proceeding by any Governmental Authority (or any Governmental Authority's designated agent or agents), nor is there any reasonable grounds to anticipate the commencement of any investigation, inquiry, audit or proceeding by any Governmental Authority, and no notice of any violation, asserted deficiency, or other irregularity has been received by Company or Seller from any Governmental Authority (or any Governmental Authority's designated agent or agents) that would directly or indirectly, or with the passage of time:

(i) affect the Company's ability to treat or provide care for patients, furnish, claim, bill and receive reimbursement relative to health care products or services rendered to patients or health care professionals, providers or suppliers, or

(ii) result in the imposition of any fine, sanction, or lower reimbursement rate for items or services furnished by Company

5.12 **Employees.** Schedule 5.12 hereto sets forth: (i) a complete list of all of the Company's employees, and rates of pay, (ii) a listing of any and all fringe benefits and personnel policies, (iii) the employment dates and job titles of each such Person, and (iv) categorization of each such Person as a full-time or part-time employee and (v) whether any such Person has an employment agreement. For purposes of this Section, "part-time employee" means an employee who is employed for an average of fewer than twenty (20) hours per week. All employee benefit plans are current and fully funded as of the date of this Agreement and will be fully funded as of the date of Closing.

5.13 **Labor Relations.** The Company is not a party to any labor contract, collective bargaining agreement, contract, letter of understanding, or any other arrangement, formal or informal, with any labor union or organization.

5.14 **Insurance.** The Company has in effect and has continuously maintained insurance coverage for all of its operations, personnel and assets, and for the Company's assets and the Business. A complete and accurate list of all such insurance policies is set forth in Schedule 5.14 hereto, which policies have previously been provided to Buyer. Schedule 5.14 also sets forth a summary of the Company's current insurance coverage (listing type, carrier and limits), and includes a list of any pending insurance claims relating to the Company. Neither the Company nor any insurer is in default or breach with respect to any provision contained in any such insurance policies, nor has the Company failed to give any notice or to present any claim thereunder in due and timely fashion.

5.15 **Broker's or Finder's Fee.** Neither the Company, nor the Seller has employed, or are liable for the payment of any fee to, any finder, broker, consultant or similar person in connection with the transactions contemplated under this Agreement.

5.16 **Intellectual Property.** All proprietary rights owned by Seller or the Company and used in connection with the Business are listed and described in Schedule 5.16. No proceedings have been instituted or are pending or threatened which challenge the validity of the ownership

by the Company of any such Intellectual Property. The Company has not licensed anyone to use any such Proprietary Rights and neither the Company, nor the Seller have any knowledge of the use or the infringement of any of such Proprietary Rights by any other Person. The Company owns or possesses adequate and enforceable licenses or other rights to use all Proprietary Rights used by the Company in the Business.

5.17 Motor Vehicles. All motor vehicles used in the Business, whether owned or leased, are set forth on Schedule 5.17. All such vehicles are properly licensed and registered in accordance with applicable law.

5.18 Tax Returns: Taxes. The Seller and the Company has filed or will timely file all federal, state and local tax returns and tax reports required by such authorities to be filed prior to the Closing Date (the "Tax Returns") and all such Tax Returns were true, correct and complete in all material respects. The Company and the Seller have paid all taxes due or claimed to be due by any federal, state or local authority ("Taxes"). There is no pending tax examination or audit of, nor any action, suit, investigation or claim asserted or threatened against the Company or by any federal, state or local authority, and no such audit, action, suit, investigation or claim has been asserted or threatened against the Company at any time during the past three years. The Company has not received from any taxing authority any written notice of proposed adjustment, deficiency, underpayment of taxes or any other such notice which has not been satisfied by payment or been withdrawn and the Company has not been granted any extension of the limitation period applicable to any tax claims. There are no tax liens for any taxes which are presently due but unpaid upon any property of the Company. The Company has withheld and paid all taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, member, or other third party. Seller has delivered to Buyer correct and complete copies of all Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by the Company.

5.19 No Omissions or Misstatements. There is no fact material to the Company's assets, liabilities, operations or prospects of the Company, taken as a whole, or the Business which has not been set forth or described in this Agreement or in the Schedules hereto and that is material to the conduct, prospects, operations or financial condition of the Company, the Business or the Company's assets. None of the information included in this Agreement and Schedules hereto, or other documents furnished or to be furnished by Seller or the Company, or any of its representatives, contains any untrue statement of a material fact or is misleading in any material respect or omits to state any material fact necessary in order to make any of the statements herein or therein not misleading in light of the circumstances in which they were made. Copies of all documents referred to in any Schedule hereto have been delivered or made available to Buyer and constitute true, correct and complete copies thereof and include all amendments, schedules, appendices, supplements or modifications thereto or waivers thereunder.

Article VI. Representations and Warranties of Buyer

As an inducement to Seller to enter into this Agreement and to consummate the transactions contemplated hereunder, Buyer hereby represents and warrants to Seller, as follows:

6.1 Organization, Qualification and Authority. Buyer has the full right, power and authority to execute, deliver and carry out the terms of this Agreement and all documents and agreements necessary to give effect to the provisions of this Agreement and to consummate the transactions contemplated on the part of Buyer hereby. The execution, delivery and consummation of this Agreement and all other agreements and documents executed in connection herewith by Buyer has been duly authorized by all necessary action on the part of Buyer. No other action on the part of Buyer or any other person or entity is necessary to authorize the execution, delivery and consummation of this Agreement and all other agreements and documents executed in connection herewith. This Agreement, and all other agreements and documents executed in connection herewith by Buyer, upon due execution and delivery thereof, shall constitute the valid binding obligations of Buyer, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

6.2 Broker's or Finder's Fee. Buyer has not employed and is not liable for the payment of any fee to any finder, broker, government official, consultant or similar person in connection with the transactions contemplated by this Agreement for which the Company or Seller shall have any liability.

Article VII. Covenants of Parties

7.1 Conduct of Business. From the date of this Agreement through the Closing Date, except as expressly contemplated by this Agreement or otherwise consented to by Buyer in writing, Seller shall cause the Company to, and the Company shall:

- (a) conduct the Business only in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and maintain working capital at current levels subject to normal fluctuation consistent with past experience;
- (b) maintain in all material respects all of the structures, equipment, vehicles and other tangible personal property of the Business in its present condition, except for ordinary wear and tear and damage by unavoidable casualty and sales of inventory in the ordinary course of business;
- (c) preserve and maintain all proprietary rights used in the Business substantially in accordance with current business practices;
- (d) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried with respect to the Business;
- (e) perform in all material respects all obligations under leases, agreements, contracts and instruments relating to or affecting the Business;
- (f) maintain the books of account and records of the Business in the usual, regular and ordinary manner;

(g) comply in all material respects with all statutes, laws, ordinances, rules and regulations applicable to the conduct of the Business;

(h) not enter any employment agreement or commitment to employees of the Business or effect any increase in the compensation or benefits payable or to become payable to any officer, director or employee of the Business other than increases in non-officer employee compensation effected in the ordinary course of business;

(i) not create or permit to exist any encumbrance on the assets of the Company;

(j) not enter into or modify any agreement for indebtedness or any Contract obligating the Company to purchase goods or services for a period of 90 days or more, or sell, lease, license or otherwise dispose of any asset of the Business (other than dispositions of obsolete assets and inventory in the ordinary course of business) or acquire any substantial assets other than replacement assets, inventory and supplies to be used in the Business;

(k) not take any action with respect to, or make any material change in its accounting or tax policies or procedures;

(l) make or revoke any tax election or settle or compromise any tax liability, or amend any Tax Return;

(m) not issue any Member Interests or securities convertible into Member Interests; or

(n) not authorize or enter into any commitment with respect to any of the matters described in (h), (i), (j) or (m) above.

7.2 Access to Information.

(a) Buyer's Investigation. Between the date of this Agreement and the Closing Date, the Company will (i) give Buyer and its authorized representatives (including employees, legal counsel and accountants) reasonable access, during regular business hours, to all employees, offices, and other facilities and property of the Business and to their books and records, (ii) permit Buyer and its authorized representatives to make such inspections thereof as Buyer may reasonably require, and (iii) furnish Buyer and its representatives and advisers with such financial and operating data and other information with respect to the business and properties of the Business as Buyer may from time to time reasonably request; provided, however, that any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the Business.

(b) Confidentiality. If the transactions contemplated by this Agreement are not consummated (and in any event prior to the Closing Date), Buyer will maintain the confidentiality of all information and materials obtained from the Company or Seller and will not use or permit others to use such information for any other purpose, except to the extent disclosure of any such information is authorized by the Company or required by law, and, upon termination of this Agreement, Buyer and its representatives will return to the Company all

materials obtained from the Company and Seller in connection with the transactions contemplated by this Agreement and all copies thereof. The provisions of this Section 7.2(b) will not apply to any information, documents or materials which are in the public domain other than by reason of a breach of this Section 7.2(b).

7.3 Efforts to Consummate Transaction. The parties shall use their commercially reasonable best efforts to take or cause to be taken all such actions required to consummate the transactions contemplated hereby, including such actions as may be necessary to obtain, prior to the Closing, all necessary governmental or other third-party approvals and consents required to be obtained by the Company or Buyer in connection with the consummation of the transactions contemplated by this Agreement.

7.4 No Solicitation. Unless this Agreement shall have been terminated pursuant to authorization contained in this Agreement, Seller shall not, and shall not permit the Company to, directly or indirectly through any officer, director, employee, agent, affiliate or otherwise, enter into any agreement, agreement in principle or other commitment (whether or not legally binding) relating to a sale of the Business or any interests in the Company or solicit, initiate or encourage the submission of any proposal or offer from any person or entity (including the Company's members, officers, partners, employees and agents) relating to any sale of the Business or any interests in the Company, nor participate in any discussions or negotiations regarding, or furnish to any other person or entity any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person or entity to effect a sale of the Business or interests in the Company.

7.5 Noncompete; Nonsolicitation.

(a) Noncompete; Nonsolicitation. The parties agree that during time when Hendrix retains any Member Interest and during the two year period following the third anniversary of the Closing Date (the "Noncompete Period"), neither Sellers nor any of their affiliates (each a "Restricted Party") shall, directly or indirectly, participate in any business similar to or competitive with the Business anywhere within fifty (50) miles from any county in which the Company operates. For purposes of this Agreement, the term "participate" includes any direct or indirect interest in any enterprise, whether as an officer, director, employee, partner, member, sole proprietor, agent, representative, independent contractor, consultant, franchiser, franchisee, creditor, owner or otherwise; provided that the term "participate" shall not include ownership of less than 2% of the stock of a publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market. During the Noncompete Period, no Restricted Party shall, directly or indirectly, (i) induce or attempt to induce any employee of Company to leave the employ of Company or in any way interfere with the relationship between Company and any employee thereof, or (ii) induce or attempt to induce any customer or supplier of Company to cease doing business with Company.

(b) Specific Performance. Each Restricted Party agrees that Company or Buyer would suffer irreparable harm from a breach by any such Restricted Party of any of the covenants or agreements contained in this Section 7.5. In the event of an alleged or threatened breach by any Restricted Party of any of the provisions of this Section 7.5, the injured party or its successors or assigns may, in addition to all other rights and remedies existing in its favor, apply

to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof. In the event of a breach of this Section 7.5, the Noncompete Period shall automatically be extended by the length of such breach for the Person committing such breach.

(c) Scope, etc. If, at the time of enforcement of any of the provisions of this Section 7.5, a court holds that the restrictions stated therein are unreasonable under the circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area.

Article VIII. Closing Conditions

8.1 Obligation of Buyer to Close. The obligation of Buyer to close the transactions contemplated hereby shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, or the written waiver thereof by Buyer:

(a) Representations and Covenants. The representations and warranties of the Company and Sellers contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date. The Company and Sellers shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by the Company and Sellers on or prior to the Closing Date.

(b) No Injunction. No injunction or restraining order shall be in effect which forbids or enjoins the consummation of the transactions contemplated by this Agreement, no proceedings for such purpose shall be pending, and no federal, state, local or foreign statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation of the transactions contemplated hereby.

(c) Approvals. All governmental and third party approvals, consents, licenses, permits or waivers necessary for consummation of the transactions contemplated by this Agreement shall have been obtained in form and substance satisfactory to Buyer.

(d) Indebtedness and Cash at Closing. The Company shall have no long-term Liabilities or funded debt at Closing, including, but not limited to any CMS CAP liability, not approved by Buyer. Cash in the Company's operating account at Closing shall be a minimum of \$60,000.

(e) Due Diligence. Buyer shall be satisfied with the results of its due diligence investigations in its sole discretion.

(f) UCC Searches. The Company shall have delivered to Buyer, at Seller's expense, the results of uniform commercial code financing statement, tax and judgment searches in all jurisdictions and under all names under which the Company conduct business no more than 10 days prior to Closing and Seller shall have received full and complete releases from any such lien as requested by Buyer.

(g) Lease. The Seller shall have delivered an Attornment Agreement from the landlord in form and substance acceptable to Buyer.

(h) Deliveries. The Company and Seller shall have delivered such documents as Buyer or its counsel may reasonably request to evidence the transactions contemplated hereby. Hendrix shall become a party to the Amended and Restated Operating Agreement of the Company to be effective as of the date of Closing.

8.2 Obligation of Seller to Close. The obligation of Seller to close the transactions contemplated hereby shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, or the written waiver thereof by Seller:

(a) Representations and Covenants. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date. Buyer shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

(b) No Injunction. No injunction or restraining order shall be in effect which forbids or enjoins the consummation of the transactions contemplated by this Agreement, no proceedings for such purpose shall be pending, and no federal, state, local or foreign statute, rule or regulation shall have been enacted which prohibits, restricts or delays such consummation.

(c) Approvals. All material governmental and third party approvals, consents, permits or waivers necessary for consummation of the transactions contemplated by this Agreement shall have been obtained in form and substance satisfactory to the Company.

(d) Deliveries. Buyer shall have delivered such documents as the Company or its counsel may reasonably request to evidence the transactions contemplated hereby.

Article IX. Indemnification

9.1 Indemnification

(a) By Seller. Sellers shall, jointly and severally, indemnify and hold harmless Buyer, and its managers, members, directors, officers, employees, Affiliates and agents, at all times from and after the Closing Date, against and in respect of losses arising from: (i) any breach of any of the representations or warranties made by the Company or Seller in this Agreement; (ii) any breach of the covenants and agreements made by the Company or Seller in this Agreement prior to Closing; and (iii) any claims, losses, costs or damages that are a result of the operation of the Company or actions of the Seller prior to Closing.

(b) By Buyer. Buyer shall indemnify and hold harmless Seller at all times from and after the Closing Date against and in respect of losses arising from or relating to: (i) any breach of any of the representations or warranties made by Buyer in this Agreement; (ii) any breach of the covenants and agreements made by Buyer in this Agreement; and (iii) any losses

arising out of the operation of the Business from and after the date of Closing unless such losses arise as a result of the actions or inactions of Seller.

9.2 Indemnification Procedures - Third Party Claims.

(a) The rights and obligations of a party claiming a right of indemnification hereunder (each an “Indemnitee”) from a party to this Agreement (each an “Indemnitor”) in any way relating to a Third Party Claim shall be governed by the following provisions of this Section 9.2:

(i) The Indemnitee shall give prompt written notice to the Indemnitor of the commencement of any claim, action suit or proceeding, or any threat thereof, or any state of facts which Indemnitee determines will give rise to a claim by the Indemnitee against the Indemnitor based on the indemnity agreements contained in this Agreement setting forth, in reasonable detail, the nature and basis of the claim and the amount thereof, to the extent known, and any other relevant information in the possession of the Indemnitee (a “Notice of Claim”). The Notice of Claim shall be accompanied by any relevant documents in the possession of the Indemnitee relating to the claim (such as copies of any summons, complaint or pleading which may have been served and, or any written demand or document evidencing the same). No failure to give a Notice of Claim shall affect, limit or reduce the indemnification obligations of an Indemnitor hereunder, except to the extent such failure actually prejudices such Indemnitor’s ability successfully to defend the claim, action, suit or proceeding giving rise to the indemnification claim.

(ii) In the event that an Indemnitee furnishes an Indemnitor with a Notice of Claim, then upon the written acknowledgment by the Indemnitor given to the Indemnitee within 30 days of receipt of the Notice of Claim, stating that the Indemnitor is undertaking and will prosecute the defense of the claim under such indemnity agreements and confirming that as between the Indemnitor and the Indemnitee, the claim covered by the Notice of Claim is subject to this Section and that the Indemnitor will be able to pay the full amount of potential liability in connection with any such claim (including any action, suit or proceeding and all proceedings on appeal or other review which counsel for the Indemnitee may reasonably consider appropriate) (an “Indemnification Acknowledgment”), then the claim covered by the Notice of Claim may be defended by the Indemnitor, at the sole cost and expense of the Indemnitor; provided, however, that the Indemnitee is authorized to file any motion, answer or other pleading that may be reasonably necessary or appropriate to protect its interests during such 30 day period. However, in the event the Indemnitor does not furnish an Indemnification Acknowledgment to the Indemnitee or does not offer reasonable assurances to the Indemnitee as to Indemnitor’s financial capacity to satisfy any final judgment or settlement, the Indemnitee may, upon written notice to the Indemnitor, assume the defense (with legal counsel chosen by the Indemnitee) and dispose of the claim, at the sole cost and expense of the Indemnitor. Notwithstanding receipt of an Indemnification Acknowledgment, the Indemnitee shall have the right to employ its own counsel in respect of any such claim, action, suit or proceeding, but the fees and expenses of such counsel shall be at the Indemnitee’s own cost and expense, unless (A) the employment of such counsel and the payment of such fees and expenses shall have been specifically authorized by the Indemnitor in connection with the defense of such claim, action, suit or proceeding or (B) the Indemnitee shall have reasonably concluded based upon a written

opinion of counsel that there may be specific defenses available to the Indemnitee which are different from or in addition to those available to the Indemnitor in which case the costs and expenses incurred by the Indemnitee shall be borne by the Indemnitor.

(iii) The Indemnitee or the Indemnitor, as the case may be, who is controlling the defense of the claim, action, suit or proceeding, shall keep the other fully informed of such claim, action, suit or proceeding at all stages thereof, whether or not such party is represented by counsel. The parties hereto agree to render to each other such assistance as they may reasonably require of each other in order to ensure the proper and adequate defense of any such claim, action, suit or proceeding. Subject to the Indemnitor furnishing the Indemnitee with an Indemnification Acknowledgment in accordance with Section 9.2(a)(ii), the Indemnitee shall cooperate with the Indemnitor and provide such assistance, at the sole cost and expense of the Indemnitor, as the Indemnitor may reasonably request in connection with the defense of any such claim, action, suit or proceeding, including providing the Indemnitor with access to and use of all relevant corporate records and making available its officers and employees for depositions, pre-trial discovery and as witnesses at trial, if required. In requesting any such cooperation, the Indemnitor shall have due regard for, and attempt to not be disruptive of, the business and day-to-day operations of the Indemnitee and shall follow the requests of the Indemnitee regarding any documents or instruments which the Indemnitee believes should be given confidential treatment,

(b) The Indemnitor shall not make or enter into any settlement of any claim, action, suit or proceeding which Indemnitor has undertaken to defend, without the Indemnitee's prior written consent (which consent shall not be unreasonably withheld or delayed)), unless there is no obligation, directly or indirectly, on the part of the Indemnitee to contribute to any portion of the payment for any of the Losses, the Indemnitee receives a general and unconditional release with respect to the claim (in form, substance and scope reasonably acceptable to the Indemnitee), there is no finding or admission of any violation of law by, or effect on any other claim that may be made against the Indemnitee and, in the reasonable judgment of the Indemnitee, the relief granted in connection therewith is not likely to have a material adverse effect on the Indemnitee or the Indemnitee's reputation or prospects.

Article X. Tax Matters

10.1 **Seller's/Buyer's Indemnity.** Seller shall indemnify and hold harmless Buyer for the payment of any Taxes that may be imposed on the Company with respect to any taxable period ending on or before the Closing Date. Buyer shall indemnify and hold harmless Seller for the payment of any Taxes that may be imposed on the Company for any taxable period beginning after the Closing Date. Any taxes which are for a period that extends past the Closing Date may be pro-rated at the discretion of the Buyer.

10.2 **Tax Return Preparation.** Seller shall prepare, or cause to be prepared, and file, or cause to be filed, any Tax Returns of the Company for Periods which end on or before the Closing Date and which have not been filed as of the Closing Date. Prior to filing any such Tax Returns, Seller shall, at Buyer's request, submit such Tax Returns to Buyer for review, and Buyer shall acknowledge such Tax Returns and return them to Seller for filing. Seller shall pay or cause to be paid the Taxes shown to be due on any such Tax Return. Buyer shall prepare, or

cause to be prepared, and file, or cause to be filed, any Tax Returns of the Company for periods which end after the Closing Date. If the Closing Date does not terminate the Company's current taxable year with respect to any Taxes, then Buyer shall be responsible for the payment of that portion of the Company's Taxes attributable to that portion of such taxable year beginning after the Closing Date and Seller shall be responsible for the payment of that portion of the Company's Taxes attributable to that portion of such taxable year through the Closing Date.

10.3 **Information.** Buyer shall, upon request of Seller, prepare and submit to Seller such tax data and other information as may be required for the preparation by Seller of any Tax Return for the Company's taxable year which includes the Closing Date or which otherwise relates to the Company's pre-Closing Date operations. Such data and other information shall be prepared on a basis consistent with that prepared for prior Pre-Closing Periods and shall be submitted to Seller at such time as shall reasonably enable Seller to comply with applicable tax return filing requirements on a timely basis.

10.4 **Cooperation.** Buyer shall permit Seller, and Seller shall permit Buyer to have full access, at any reasonable time and from time to time after the Closing Date upon reasonable notice, to all Pre-Closing Date Tax Returns and all books and records, wherever located, of the Company relevant to such Tax Returns. Seller and Buyer shall preserve such information until the expiration of all applicable statutes of limitations (including any waivers or extensions thereof), and shall make such information available to the other party as may be reasonably required by the other party in connection with any tax examination of or preparation of a Tax Return by the other party. If Buyer or the Company shall receive a notice of a proposed adjustment to income taxes of any Pre-Closing Period, then Buyer shall, or shall cause the Company to, promptly furnish Seller a copy of such notice.

10.5 **Sales, Use and Transfer Taxes.** Seller shall pay all sales, use, transfer, real property transfer, recording, stock transfer and other similar Taxes, if any, arising out of or in connection with the transactions effected pursuant to this Agreement.

Article XI. Miscellaneous

11.1 **Termination.** Anything herein to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date: (i) by mutual written consent of Buyer and Seller; (ii) by Buyer if for any reason the Closing shall not have occurred on or before October 1, 2015 (or such other date as may be mutually agreed by the parties); or (iii) by Buyer or Seller in the event that a condition to the terminating party's obligations to close the transactions contemplated by this Agreement shall become incapable of satisfaction; provided, however, that no party shall be entitled to terminate this Agreement in the event that the failure of the Closing to occur or any condition to Closing to be satisfied shall be attributable to such party's willful breach of this Agreement.

11.2 **Publicity.** No press release or other public announcement concerning this Agreement or the transactions contemplated hereby shall be made without advance approval thereof by the Seller and Buyer, except as required by law.

11.3 Entire Agreement. This Agreement and the exhibits delivered in connection herewith constitute the entire agreement of the parties with respect to the subject matter hereof. The representations, warranties, covenants and agreements set forth in this Agreement and in any schedules or exhibits delivered pursuant hereto constitute all the representations, warranties, covenants and agreements of the parties hereto and upon which the parties have relied, and except as specifically provided herein, no change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

11.4 Notices. Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if (i) hand delivered, or (ii) sent by a nationally recognized overnight courier as follows:

If to Buyer:

Tim Buttell, Manager
Peoples Home Health, LLC

with a copy to:

Phil Stone, Manager
Peoples Healthcare, LLC

If to Seller:

Donna R. Hendrix

with a copy to:

or at such other address as any party may specify by notice given to the other party in accordance with this Section 11.4. The date of giving of any such notice shall be the date of hand delivery, and the day after delivery to the overnight courier service.

11.5 Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended and the terms hereof may be waived only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance.

11.6 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. One or more counterparts of this Agreement may be delivered by facsimile, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart.

11.7 Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Alabama. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement shall nevertheless continue in full force and effect.

11.8 Assignment. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns.

11.9 Expenses. Each of Buyer and Seller shall bear all of their own expenses in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, including all fees and expenses of its agents, representatives, counsel and accountants.

11.10 Interpretation; Headings. As used in this Agreement, (i) references to the plural include the singular, the singular the plural, the part the whole, (ii) references to any gender include all genders, (iii) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" or "including, without limitation" and (iv) references to "hereunder" or "herein" relate to this Agreement. The section and other headings contained in this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect.

[Signatures on following page]

EXHIBIT A
Percentage of Ownership of
Members Interests in DaySpring Hospice, LLC

<u>Member</u>	<u>Interest</u>
Donna R. Hendrix	51%
Larry B. Smith	10%
Selrahc Limited Partnership	6.5%
Mary Charles Ward	6.5%
William B. Searcy	6%
Dykes Adkison	10%
Deborah Christine Paulk	5%
<u>Dr. James F. Paulk</u>	<u>5%</u>
Total	100%

Exhibit B

DaySpring Hospice LLC Ownership as follows:

Donna Hendrix 57 County Road 157 Enterprise AL 36330	20%
Timothy Buttell Executive Director Peoples Home Health	14.40%
Peoples Home Health, LLC 213 East Wright Street Pensacola, FL 32501 (850) 470-9288	36%
Longleaf Hospice, LLC 1131 Floyd Street NE Covington, GA 30014 (770)824-3200	29.6%

OWNERS

PEOPLES HOME HEALTH LLC

Timothy Buttell	33%
Phillip Chamberlain Stone Executive Director Peoples Home Medical 1173 Monticello Street Covington, GA 30014-2339 (678) 658-4663	33%
4 Stones, LLC	34%

OWNERS

4 STONES LLC

Phillip Chamberlain Stone	25%
Theodore Stone	25%
Ida harris	25%
Loy Turner	25%

OWNER

LONGLEAF HOSPICE LLC

Edward Phillip Stone	100%
1132 Floyd St NE Covington GA	

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

“BUYERS”

PEOPLES HOME HEALTH, LLC

By:



Tim Buttell, Manager

TIM BUTTELL

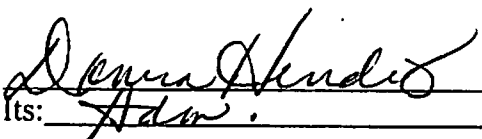


Tim Buttell

“COMPANY”


DAYSPRING HOSPICE, LLC

By:



Its: Adm.

“SELLERS”



Donna R. Hendrix