



CO2022-078
RECEIVED
Jun 07 2022
STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

June 7, 2022

Emily T. Marsal
Executive Director
Alabama State Health Planning & Development Agency
100 N. Union St.
Ste. 870
Montgomery, AL 36104

Re: CO2022-078
SHPDA ID: 097-N0003
Knollwood Healthcare

Dear Ms. Marsal:

We are writing in response to your letter dated June 3, 2022 regarding the above referenced Change of Ownership additional information submitted on 5/25/2022. Please find enclosed a corrected, newly signed notarial certificate to confirm the accuracy and validity of this change of ownership notice.

If you have any questions or need additional information, please contact me at (478) 396-4777 or blamberth@newlegacypro.com.

Sincerely,

Brandie P. Lamberth, CPA
President, New Legacy Professional Services

Enclosures

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

June 3, 2022

Brandie Lamberth, President
New Legacy Professional Services
915 Main Street, Suite C
Perry, Georgia 31069

RE: CO2022-078
Knollwood Healthcare
SHPDA ID: 097-N0003

Dear Ms. Lamberth:

On May 6, 2022, a Change of Ownership notification was filed, with additional information received on May 25, 2022 on behalf of the referenced seventy-one (71)-bed skilled nursing facility whereby Southern Skilled Acquisitions I, LLC will acquire Knollwood Healthcare.

Additional information is required on behalf of this proposal.

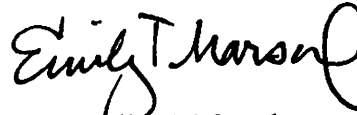
- ✓ A corrected page A-83 must be submitted indicating the correct proposed action to be taken to reflect actions applicable to the above-described transaction.
- ✓ Part One (I) Facility Information: The SHPDA ID number still requires corrective action. Please address this issue and submit an updated notice accordingly.
- ✓ The addition or adjustment of information from previously certified documentation nullifies the authenticity of the notarization. A new notarial certificate is required to confirm the accuracy and validity of this change of ownership notice. Please address this issue and submit an amended notice accordingly.

Pursuant to ALA. ADMIN. CODE r 410-1-3-.09, all documents to be filed with SHPDA must be submitted electronically to shpda.online@shpda.alabama.gov in text searchable, PDF format.

CO2022-078
June 3, 2022
Page Two

Should you have any questions regarding the requested information please contact the Agency at (334) 242-4103.

Sincerely,

A handwritten signature in black ink that reads "Emily T. Marsal". The signature is written in a cursive style with a large, looping "E" and "M".

Emily T. Marsal
Executive Director

ETM/jam

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-N0003
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)
 Name of Facility/Provider: Knollwood Healthcare
(ADPH Licensure Name)
 Physical Address: 3151-A Knollwood Dr.
Mobile, AL 36693
 County of Location: MOBILE
 Number of Beds/ESRD Stations: 71
 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: Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver for Knollwood Healthcare
 Mailing Address: 1033 Demonbreun St., Unit 300
Nashville, TN 37203
 Operator (Entity Name): Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver for Knollwood Healthcare

Part III: Acquiring Entity Information

Name of Entity: Southern Skilled Acquisitions I, LLC
 Mailing Address: 1800 Rockaway Ave., Ste. 200
Hewlett, NY 11557

Operator (Entity Name): Knollwood Healthcare and Rehabilitation LLC

Proposed Date of Transaction is on or after: 07/01/2022

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 4,000,000.00

Type of Beds: skilled nursing facility beds

Number of Beds/ESRD Stations: 71

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

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 6,000,000.00

Projected Total Cost: \$ 6,000,000.00

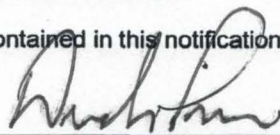
On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 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): 

Operator(s): Healthcare Management Partners, LLC

Title/Date: in its capacity as court-appointed Receiver
for Knollwood Healthcare

SWORN to and subscribed before me this 7th day of June, 2022.

(Seal)



Notary Public

My Commission Expires: 7/8/23

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): Southern Skilled Acquisitions I, LLC _____

Operator(s): Knollwood Healthcare and Rehabilitation LLC _____

Title/Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

Notary Public

My Commission Expires: _____

Author: Alva M. Lambert

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

History: New Rule

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

Notary Public

My Commission Expires: _____

Acquiring Authority Signature(s):

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

Purchaser(s): Southern Skilled Acquisitions I, LLC _____

Operator(s): Knollwood Healthcare and Rehabilitation LLC _____

Title/Date: Member _____

SWORN to and subscribed before me, this 7th day of June, 2022.

(Seal)

Notary Public

My Commission Expires: 9/12/2024

SARAH FLEISCHER LAMPERT
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01FL6347684
QUALIFIED IN NASSAU COUNTY
MY COMMISSION EXPIRES SEPTEMBER 12, 2024

Author: Alva M. Lambert

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

History: New Rule

Alabama State Health Planning & Development Agency

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

Part IV: Terms of Purchase - Attachment

1. The services provided will be skilled nursing care as offered by the previous operator.
2. There will be no new beds added.
3. There will be no conversion of beds.
4. The proposed transaction will be a sale of assets (real property, personal property, equipment, and operational control). The operations will be transferred from Healthcare Management Partners, LLC (as court-appointed Receiver to Knollwood Healthcare) to Knollwood Healthcare and Rehabilitation LLC. There will be a new lease agreement executed between Southern Skilled Acquisitions I, LLC and Knollwood Healthcare and Rehabilitation LLC once the transaction has occurred.

Note:

The projected yearly operating costs of \$6,000,000 represent amounts which are consistent with current operating costs and no substantial increases are expected.



CO2022-078

RECEIVED

May 25 2022

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

May 25, 2022

Emily T. Marsal
Executive Director
Alabama State Health Planning & Development Agency
100 N. Union St.
Ste. 870
Montgomery, AL 36104

Re: CO2022-078
SHPDA ID: 097-N0003
Knollwood Healthcare

Dear Ms. Marsal:

We are writing in response to your letter dated May 23, 2022 regarding the above referenced Change of Ownership notification submission. The parties would like to clarify that the entity acquiring direct ownership and control of the Certificate of Need will be Southern Skilled Acquisitions I, LLC, the proposed real property owner and lessor.

The proposed transaction is expected to occur at a future date which is unknown at present but is expected to be within the next 2 months. Hence, the date listed on the application on the line entitled "Proposed Date of Transaction is on or after" is 05/01/2022. Pursuant to the Asset Purchase Agreement executed on 01/31/2022 and provided with our original submission, the transaction will occur on the Closing Date, which will be at a time and location agreed upon by the Seller and Purchaser and may be extended by the agreement of both parties.

The bed types and their allocations listed within the Asset Purchase Agreement are inaccurate and do not reflect the current licensing information for the facilities located on the campus. These amounts were pulled from out-of-date bond documents and several changes to the bed allocations in the buildings have been made since the bond documents were executed. The current bed allocation is as follows and can be confirmed on the Alabama Department of Public Health website: 71 – skilled nursing facility beds, 100 – specialty care assisted living facility beds and 60 – assisted living facility beds. This change of ownership notification pertains to the 71 bed skilled nursing facility.

Ms. Emily T. Marsal

May 25, 2022

Page 2

The Bill of Sale, along with other unexecuted legal documents referenced in the Asset Purchase Agreement as Exhibits and Schedules, are meant to be pro forma documents and not the final, executed versions of such documents. The executed Bill of Sale will be forwarded to the SHPDA once the transaction has occurred.

If you have any questions or need additional information, please contact me at (478) 396-4777 or blamberth@newlegacypro.com.

Sincerely,

A handwritten signature in black ink that reads "Brandie P. Lamberth". The signature is written in a cursive, flowing style.

Brandie P. Lamberth, CPA
President, New Legacy Professional Services

Enclosures

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870

MONTGOMERY, ALABAMA 36104

May 23, 2022

Ms. Brandie P. Lambert, President
New Legacy Professional Services
915 Main Street, Suite C
Perry, GA 31069

RE: CO2022-078
Knollwood Healthcare
SHPDA ID: 097 – N0003

Dear Ms. Lamberth:

On May 6, 2022, a Change of Ownership notification was filed on behalf of the referenced skilled nursing facility provider whereby Knollwood Healthcare and Rehabilitation, LLC will be acquiring the facility from Healthcare Management Partners, LLC, the court-appointed receiver for Knollwood Healthcare.

Clarification and additional information are required on behalf of this proposal:

A corrected Page A-83 must be submitted indicating the correct proposed action to be taken to reflect all actions applicable to the above-described transaction.

Part III: Acquiring Entity Information: It is noted that in the accompanying letter submitted with this filing, Knollwood Healthcare and Rehabilitation, LLC is the proposed facility operator and Southern AL Acquisitions I, LLC is the proposed real property owner, and lessor or "Purchaser." Please provide this Agency with clarification pertaining to the entity acquiring direct ownership or control of the Certificate of Need.

In addition, the transaction date indicated on this filing occurred before the Change of Ownership notice was filed with SHPDA. Pursuant to ALA. ADMIN. CODE r 410-1-7-.04, any change in ownership or control of a healthcare facility or service for which a Certificate of Need (CON) has been granted shall be provided to the State Agency by the acquiring entity at least twenty (20) days before the transaction occurs. Please provide this Agency with a detailed narrative and explanation

CO2022-078
May 23, 2022
Page Two

pertaining to the late submission of this filing. Ascribed to the additional information requested and corrective actions to the filing, new notarial certificates required.

Attachments: The accompanying letter with this filing indicates that the asset purchase agreement was executed on January 31, 2022, as opposed to, the date of transaction listed on notice. Please provide the Agency with a detailed narrative pertaining to the date discrepancy.

Additionally, the attached documentation stipulates the inclusion of an existing 24-unit specialty care facility as part of the transaction. This information is inconsistent with Agency records and details outlined in the proposed filing. Please provide this Agency with clarification pertaining to the facility information of proposed transaction.

Finally, the attached Bill of Sale must be completed and signed in order to be included in the filing.

Pursuant to ALA. ADMIN. CODE r 410-1-3-.09, all documents to be filed with SHPDA must be submitted electronically to shpda.online@shpda.alabama.gov in text searchable, PDF format.

Should you have any questions regarding the requested information please contact the Agency at (334) 242-4103.

Sincerely,



Emily T. Marsal
Executive Director

ETM/jam

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-N003
 (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Knollwood Healthcare
 (ADPH Licensure Name)

Physical Address: 3151-A Knollwood Dr.
Mobile, AL 36693

County of Location: MOBILE

Number of Beds/ESRD Stations: 71

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: Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver for Knollwood Healthcare

Mailing Address: 1033 Demonbreun St., Unit 300
Nashville, TN 37203

Operator (Entity Name): Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver for Knollwood Healthcare

Part III: Acquiring Entity Information

Name of Entity: Southern Skilled Acquisitions I, LLC

Mailing Address: 1800 Rockaway Ave., Ste. 200
Hewlett, NY 11557



CO2022-078
RECEIVED
May 06 2022
STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

May 6, 2022

Emily T. Marsal
Executive Director
Alabama State Health Planning & Development Agency
100 N. Union St.
Ste. 870
Montgomery, AL 36104

Re: Notice of Change of Ownership/Control
SHPDA ID: 097-N0003
Knollwood Healthcare

Dear Ms. Marsal:

Please find enclosed the Notice of Change of Ownership/Control form for Knollwood Healthcare, a 71-bed skilled nursing facility located in Mobile, Alabama. This notice proposes the change of ownership of the facility from Healthcare Management Partners, LLC in its capacity as court-appointed Receiver for Knollwood Healthcare ("Seller") to **Knollwood Healthcare and Rehabilitation LLC** (proposed facility operator and lessee) and **Southern Skilled Acquisitions I, LLC** (proposed real property owner and lessor; "Purchaser"). The details of this transaction are outlined in the attached asset purchase agreement between the Purchaser and Seller executed on January 31, 2022. Southern Skilled Acquisitions I, LLC will simultaneously enter into a lease with Knollwood Healthcare and Rehabilitation LLC, who will obtain the appropriate Alabama Department of Public Health license to operate the facility.

The change of ownership application fee was paid online on April 27, 2022.

If you have any questions or need additional information, please contact me at (478) 396-4777 or blamberth@newlegacypro.com.

Sincerely,

Brandie P. Lamberth, CPA
President, New Legacy Professional Services

915 Main Street, Suite C, Perry, GA 31069
(478) 396-4777
www.newlegacypro.com

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-N003
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Knollwood Healthcare
(ADPH Licensure Name)

Physical Address: 3151-A Knollwood Dr.
Mobile, AL 36693

County of Location: MOBILE

Number of Beds/ESRD Stations: 71

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: Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver for Knollwood Healthcare

Mailing Address: 1033 Demonbreun St., Unit 300
Nashville, TN 37203

Operator (Entity Name): Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver for Knollwood Healthcare

Part III: Acquiring Entity Information

Name of Entity: Knollwood Healthcare and Rehabilitation LLC

Mailing Address: 1800 Rockaway Ave., Ste. 200
Hewlett, NY 11557

Operator (Entity Name): Knollwood Healthcare and Rehabilitation LLC

Proposed Date of Transaction is on or after: 05/01/2022

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 4,000,000.00

Type of Beds: skilled nursing facility beds

Number of Beds/ESRD Stations: 71

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

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 6,000,000.00

Projected Total Cost: \$ 6,000,000.00

On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 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.

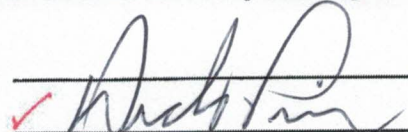
Part V: Certification of Information

Current Authority Signature(s):

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

Owner(s): _____

Operator(s): Healthcare Management Partners, LLC
in its capacity as court-appointed Receiver
for Knollwood Healthcare

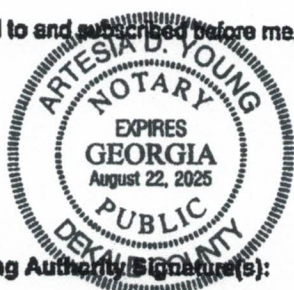


Title/Date: _____

5-6-2022

SWORN to and subscribed before me, this 16 day of MAY, 2022.

(Seal)



[Signature]
Notary Public

My Commission Expires: 08/22/2025

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): [Signature] 4-27-2022

Operator(s): Knolwood Healthcare and Rehabilitation LLC ✓

Title/Date: Ephram Lahasky, Manager

SWORN to and subscribed before me, this 21st day of August, 2022.

(Seal)

[Signature]
Notary Public

My Commission Expires: 9/12/2024



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

Alabama State Health Planning & Development Agency

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

Part IV: Terms of Purchase - Attachment

1. The services provided will be skilled nursing care as offered by the previous operator.
2. There will be no new beds added.
3. There will be no conversion of beds.
4. The proposed transaction will be a sale of assets (real property, personal property, equipment, and operational control). The operations will be transferred from Healthcare Management Partners, LLC (as court-appointed Receiver to Knollwood Healthcare) to Knollwood Healthcare and Rehabilitation LLC. There will be a new lease agreement executed between Southern Skilled Acquisitions I, LLC and Knollwood Healthcare and Rehabilitation LLC once the transaction has occurred.

Note:

The projected yearly operating costs of \$6,000,000 represent amounts which are consistent with current operating costs and no substantial increases are expected.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “*Agreement*”), dated as of January 31, 2022 (the “*Effective Date*”) is executed by Derek Pierce, Managing Partner of Healthcare Management Partners, LLC, acting solely in his capacity as court-appointed receiver under the Receivership Order (as defined below) for the Receivership Estates (the “*Seller*”), and Southern Skilled Acquisitions I, LLC, a Delaware limited liability company, and/or its designee(s) (the “*Bidder*” or “*Purchaser*” and together with Seller, the “*Parties*”).

RECITALS

WHEREAS the Medical Clinic Board of the City of Mobile (Second) (“*Issuer*”) owns the real and personal property associated with a 71-unit skilled nursing and 24-unit specialty care facility located at 3151-A Knollwood Dr., Mobile, Alabama, 36693 (the “*Knollwood Facility*”);

WHEREAS, the Issuer issued its Gordon Jensen Health Care Association, Inc. Project Series 2012A and 2012B Bonds, in the aggregate principle amount of \$8,610,000 (the “*Knollwood Bonds*”) for the purpose of providing funds to finance, among other things, the acquisition and operation of the Knollwood Facility;

WHEREAS, the Issuer issued and sold the Knollwood Bonds pursuant to that certain Trust Indenture (the “*Knollwood Indenture*”), dated as of September 1, 2013, between the Issuer and BOKF, N.A., in its capacity as indenture trustee (the “*Knollwood Indenture Trustee*”);

WHEREAS, the proceeds of the Knollwood Bonds were used by the Issuer to purchase the Knollwood Facility, which was subsequently leased to Gordon Jensen Health Care Association, Inc. (the “*Knollwood Lessee*”) pursuant to the terms of that certain Lease Agreement (the “*Knollwood Lease Agreement*”) dated September 1, 2013;

WHEREAS, the Knollwood Lessee’s obligations under the Knollwood Lease Agreement and Knollwood Bonds and the Issuer’s obligations under the Knollwood Indenture are secured by that certain Mortgage and Security Agreement (the “*Knollwood Security Deed*”) dated September 1, 2013, which granted the Knollwood Indenture Trustee and its successors and assigns a first-priority security interest in, among other things, the real and personal property related to the Knollwood Facility and was properly recorded in the records of Mobile County, Alabama, beginning in Deed Book LR7079, Page 1828;

WHEREAS, pursuant to paragraph 11 of the March 15, 2021 *Order* (Case No.: 21-00031-KD-B, Dkt. No. 43) (the “*Knollwood Receivership Order*”), entered by the United States District Court for the Southern District of Alabama, Southern Division (the “*Court*”), which appointed the Seller as receiver over, among other things, the Knollwood Facility, the Seller is, among other things, authorized to sell and transfer, subject to court approval, the Knollwood Facility and all assets related thereto (as further set forth in the Knollwood Receivership Order), including, but not limited to, monies, securities, properties, real and personal, tangible and intangible, of whatever kind and description, wherever located (collectively, the “*Knollwood Receivership Estate*”);

WHEREAS, the Issuer owns the real and personal property associated with an 118-unit assisted living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693 (the “*Assisted Living Facility*”);

WHEREAS, the Issuer owns the real and personal property associated with an 88-unit independent living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693 (the “*Independent Living Facility*”, and together with the Assisted Living Facility and Knollwood Facility, the “*Facilities*”);

WHEREAS, the Issuer issued its Bama Oaks Retirement, LLC Project, Series 2012A and 2012B Bonds, in the aggregate principle amount of \$11,700,000 (the “*AL Bonds*”) for the purpose of providing funds to finance, among other things, the acquisition and operation of the Assisted Living Facility;

WHEREAS, the Issuer issued its Bama Oaks Retirement, LLC Project II, Series 2012A and 2012B Bonds, in the aggregate principle amount of \$5,740,000 (the “*IL Bonds*”, and together with the AL Bonds and Knollwood Bonds, the “*Bonds*”) for the purpose of providing funds to finance, among other things, the acquisition and operation of the Independent Living Facility;

WHEREAS, the Issuer issued and sold the AL Bonds pursuant to that certain Trust Indenture (the “*AL Indenture*”), dated as of September 1, 2012, between the Issuer and BOKF, N.A., in its capacity as indenture trustee (the “*AL Indenture Trustee*”);

WHEREAS, the Issuer issued and sold the IL Bonds pursuant to that certain Trust Indenture (the “*IL Indenture*”, and together with the AL Indenture and Knollwood Indenture, the “*Indentures*”), dated as of September 1, 2012, between the AL/IL Issuer and BOKF, N.A., in its capacity as indenture trustee (the “*IL Indenture Trustee*,” and together with the AL Indenture Trustee and Knollwood Indenture Trustee, the “*Indenture Trustee*”);

WHEREAS, the proceeds of the AL Bonds were used by the Issuer to purchase the Assisted Living Facility, which was subsequently leased to Bama Oaks Retirement, LLC (the “*AL/IL Lessee*,” and together with the Knollwood Lessee, the “*Lessees*”) pursuant to the terms of that certain Lease Agreement (the “*AL Lease Agreement*”) dated September 1, 2012;

WHEREAS, the proceeds of the IL Bonds were used by the Issuer to purchase the Independent Living Facility, which was subsequently leased to the AL/IL Lessee pursuant to the terms of that certain Lease Agreement (the “*IL Lease Agreement*”, and together with the AL Lease Agreement and Knollwood Lease Agreement, the “*Lease Agreements*”) dated September 1, 2012;

WHEREAS, the AL/IL Lessee’s obligations under the AL Lease Agreement and AL Bonds and the Issuer’s obligations under the AL Indenture are secured by that certain Mortgage and Security Agreement (the “*AL Security Deed*”) dated November 1, 2012, which granted the Indenture Trustee and its successors and assigns a first-priority security interest in, among other things, the real and personal property related to the Assisted Living Facility and was properly recorded in the records of Mobile County, Alabama, beginning in Deed Book 6940, Page 649;

WHEREAS, the AL/IL Lessee’s obligations under the IL Lease Agreement and IL Bonds and the Issuer’s obligations under the IL Indenture are secured by that certain Mortgage and

Security Agreement (the “*IL Security Deed*”, and together with the AL Security Deed and Knollwood Security Deeds, the “*Security Deeds*”) dated November 1, 2012, which granted the Indenture Trustee and its successors and assigns a first-priority security interest in, among other things, the real and personal property related to the Independent Living Facility and was properly recorded in the records of Mobile County, Alabama, beginning in Deed Book 6961, Page 1273;

WHEREAS, pursuant to paragraph 11 of the April 13, 2021, *Order Appointing Receiver* (Case No.: 21-00028-KD-B, Dkt. No. 42) (the “*Assisted Living Receivership Order*”) and paragraph 11 of the April 13, 2021, *Order Appointing Receiver* (Case No.: 21-00029-KD-B, Dkt. 40) (the “*Independent Living Receivership Order*,” and together with the Assisted Living Receivership Order and Knollwood Receivership Order, the “*Receivership Orders*”), both entered by the Court, which appointed the Seller as receiver over, among other things, the Facilities, the Seller is, among other things, authorized to sell and transfer, subject to court approval, the Facilities and all assets related thereto (as further set forth in the Receivership Orders), including, but not limited to, monies, securities, properties, real and personal, tangible and intangible, of whatever kind and description, wherever located (collectively, but excluding personal property owned by the individual residents and patients of the Facilities, the “*Receivership Estates*”);

WHEREAS, pursuant to the Receivership Orders, the Court authorized, directed, and empowered the Seller to sell some or all of the Receivership Estates with Court approval;

WHEREAS, this Agreement is being entered into in order for Bidder to serve as the “*Stalking Horse Purchaser*” in Seller’s “*Stalking Horse Auction*” of substantially all of the assets of the Receivership Estates;

WHEREAS, the Parties desire to enter into this Agreement, pursuant to which Bidder or its assignee will purchase from Seller, and Seller will sell, convey, transfer and assign to Purchaser, the Purchased Assets (as defined in Schedule 1.01); and

WHEREAS, subject to the terms of this Agreement, the Receivership Orders, and the Bidding Procedures Order and Sale Order (each as defined below), Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the Purchased Assets free and clear of all Liens (as defined below) other than the Permitted Liens (as defined below).

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants, and agreements set forth in this Agreement, each of Seller and Purchaser, intending to be legally bound, agrees as follows:

ARTICLE I. CONVEYANCE AND ACQUISITION

Section 1.01. Agreement to Convey and Acquire. Subject to a Sale Order and the terms and conditions set forth in this Agreement, on the Closing Date (as defined in Section 3.01 of this Agreement), Seller shall sell, contribute, convey, assign, transfer, and deliver to Purchaser, free and clear of all liens, claims, pledges, options, charges, security interests, deeds of trust, mortgages, conditional sales agreements, interests, encumbrances, redemption rights, successor liabilities, or other rights of third parties (collectively, the “*Liens*”), other than Permitted Liens (as defined in Schedule 1.01), and Purchaser shall purchase, acquire, and take assignment and delivery from

Seller, for the consideration and in the manner specified in this Agreement, all rights, titles, and interests of any kind and nature of Seller, Issuer, and Lessees in and to the Purchased Assets. At Closing (as defined in Section 3.01 of this Agreement), Seller shall provide: (a) a bill of sale, in form substantially similar to that attached to this Agreement as **Exhibit B** (the “*Bill of Sale*”), conveying all of Seller’s, Issuer’s, and Lessee’s rights, titles, and interests in and to all Seller’s, Issuer’s, and Lessee’s rights, titles, and interests in and to the Personal Property (as defined in Schedule 1.01(b)) of the Purchased Assets described therein; (b) a receiver’s deed for the Facilities, substantially in the form attached to this Agreement as **Exhibit C** (the “*Receiver’s Deed*”), conveying all of Seller’s, Issuer’s, and Lessee’s rights, titles, and interests in and to the Real Property (as defined in Schedule 1.01(a)); (c) an assignment of intangible property, substantially in the form similar to that attached to this Agreement as **Exhibit D** (the “*Assignment of Intangibles*”) conveying all of Seller’s, Issuer’s, and Lessee’s rights, titles, and interests in and to the Intangible Property (as defined in Schedule 1.01); (d) an assignment of any existing leases and contracts Purchaser approves and elects (in its sole discretion) to assume in substantially the form attached to this Agreement as **Exhibit E** (the “*Assignment of Contracts and Leases*”), assigning to Purchaser all of those elected and assumed leases and contracts identified therein that are in effect on the Closing Date, and the interest of Seller, Issuer, and Lessee under any existing design contracts, construction contracts, subcontracts, utility contracts, water and sewer service contracts of any nature, maintenance contracts, laundry services contracts, management contracts, food service contracts, certificates of occupancy, permits, soils reports, and other contracts or documents of any nature relating to the Facilities which are assignable by Seller and which Purchaser approves and elects (in its sole discretion) to assume (the “*Service Contracts*”).

Section 1.02. Excluded Assets. Notwithstanding anything in this Agreement to the contrary, the Purchased Assets shall not include any of the assets described in the list of excluded assets set forth on **Schedule 1.02** to this Agreement (collectively, the “*Excluded Assets*”).

Section 1.03. Initial Bid. Purchaser’s Initial Bid for the Purchased Assets shall be twelve million and 00/100 Dollars (\$12,000,000) (the “*Initial Bid*”).

Section 1.04. Payment of Purchase Price at Closing. If Purchaser is the Successful Bidder at the Auction (as defined in Section 2.01 of this Agreement), on the Closing Date, Purchaser shall transfer the amount of the Successful Bid (the “*Purchase Price*”), plus or minus prorations as set forth in Article XI of this Agreement, minus the amount of Purchaser’s Deposit (as defined below), to Seller in immediately available funds, as set forth more fully in Section 3.02(e) of this Agreement.

Section 1.05. Assumed Liabilities. Notwithstanding any provision of this Agreement to the contrary, Purchaser is only assuming the liabilities and obligations set forth on **Schedule 1.05** to this Agreement (collectively, the “*Assumed Liabilities*”), and no other obligations. Seller shall retain and discharge in the ordinary course all liabilities and obligations of Seller which are accrued prior to Closing other than the Assumed Liabilities.

Section 1.06. Liabilities Not Assumed by Purchaser. Purchaser shall not be the successor to the Seller, Issuer, or Lessee. Further, other than the Assumed Liabilities, Purchaser shall not assume or incur any liability, expense, or obligation of any kind associated with (a) the Facilities, the Real Property, or the business conducted thereon (the “*Business*”) with respect to time periods

on or prior to the Closing Date, (b) operation of the Facilities on or prior to the Closing Date, (c) the Facilities for acts or omissions or business activities occurring on or prior to the Closing Date, (d) claims against or liabilities that relate to any of the Excluded Assets, or (e) liabilities for accrued but unbilled or unpaid taxes (including but not limited to real estate, personal property, ad valorem, sales, and similar non-income or income tax) accrued, imposed on or with respect to the Purchased Assets for any period on or prior to the Closing Date.

Section 1.07. Good Faith Deposit. Purchaser shall provide to Seller a good faith deposit in the amount of **Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00)** (“*Purchaser’s Deposit*”) by wire transfer of immediately available funds to Escrowee (as defined below) within two (2) Business Days of the Effective Date of this Agreement. Purchaser’s Deposit shall be held in a separate escrow account under the custody and control of Mary R. Newman, National Title Officer, Fidelity National Title Insurance Company, 2701 Emerywood Pkwy., Suite 200 Richmond, Virginia 23294 (the “*Title Company*” or “*Escrowee*”) pursuant to the Escrow Agreement attached to this Agreement as **Exhibit E**. The provisions of this **Section 1.07** will be incorporated into the Bidding Procedures Order described in **Article II**, and such Bidding Procedures Order shall provide that the Purchaser’s Deposit shall not be deemed to constitute property of the Receivership Estate, and the Receivership Estate shall have no interest of any kind (equitable or otherwise) in the Purchaser’s Deposit unless and until such deposit is actually unconditionally paid or payable to Seller in accordance with this Agreement. If the Closing occurs, then the Purchaser’s Deposit shall be paid to Seller, as part of the Purchase Price, in accordance with **Section 3.02(e)** of this Agreement.

Section 1.08. Bid Process. If Purchaser is the Successful Bidder at the Stalking Horse Auction and the Court approves the sale contemplated by this Agreement, but the Closing does not occur, the Purchaser’s Deposit shall become nonrefundable and shall be released from escrow to the Seller and shall become property of the Receivership Estate, only if (a) Purchaser fails to close the transactions contemplated by this Agreement on the Closing Date in accordance with **Article III** of this Agreement after all conditions contained in **Article IX** of this Agreement have been satisfied, (b) Purchaser materially fails to satisfy each of the conditions to Seller’s obligation to close set forth in **Article X** of this Agreement (other than **Sections 10.03** and **10.06**) on the Closing Date, or (c) Seller terminates this Agreement due to material breach of Purchaser after notice and opportunity to cure. Purchaser’s Deposit shall be released from escrow to Purchaser in all other events, including without limitation any of the following: (i) any of the conditions to Closing set forth in **Article IX** of this Agreement are not satisfied as of the Closing; (ii) this Agreement is terminated pursuant to **Section 5.01(b)(ii)**, **Section 13.01(a)**, **Section 14.01(a)**, **Section 16.01(a)(i)**, **Section 16.01(a)(ii)**, or **Section 16.01(a)(iii)** by Purchaser due to Seller’s default, **Section 16.01(b)**, **Section 16.01(c)**, **Section 16.01(d)** or **Section 16.01(e)** of this Agreement; (iii) Purchaser is not the Successful Bidder or Back Up Bidder at the Stalking Horse Auction; (iv) Purchaser is the Successful Bidder at the Stalking Horse Auction, but the Court does not approve the sale of the Purchased Assets to Purchaser; or (v) the Court has not approved the Sale on or before one hundred (100) days after the Effective Date (or the Sale Order is not a Final Order within 45 days after its entry) and Purchaser terminates this Agreement in writing as a result of such failure.

Section 1.09. Regulatory Approvals. Within three (3) Business Days after the later to occur of: (i) the date that Seller delivers to Purchaser all documents required to be delivered by

Seller to Purchaser pursuant to this Section 1.09, or (ii) the date the Court approves the Bidding Procedures Order, Purchaser will file an Alabama Certificate of Need application to operate the Facilities as a skilled nursing, assisted living, and specialty care facility, subject to approval by Alabama State Health Planning & Development Agency (“**SHPDA**”) and any license needed to operate the Facilities as a skilled nursing, assisted living, and specialty care facility pursuant to the Alabama Department of Public Health (“**ADPH**”, and together with SHPDA, the “**Alabama Regulatory Authorities**”) (the “**New Licenses**”). Purchaser will also promptly file applications for any Ancillary Permits and Approvals as and when permitted or required under the laws of the applicable issuing authority. Seller will reasonably cooperate with Purchaser in connection with such filings. Purchaser will provide Seller with a copy of its filed application for the New Licenses, within one (1) business day after its receipt of a request therefor from Seller. Purchaser shall diligently proceed and take all actions reasonably necessary to secure the New Licenses, and any Ancillary Permits and Approvals and shall (i) from time to time, upon request of Seller, advise Seller of the status of Purchaser’s efforts to secure the New Licenses, and any Ancillary Permits and Approvals, (ii) promptly advise Seller once Purchaser has received confirmation of the date on which the New Licenses will be issued and the date the New Licenses will go into effect, and (iii) promptly upon receipt of a request therefor from Seller, shall provide Seller with copies of the document(s) evidencing the New Licenses, or other approval thereof from the relevant agency. The parties agree that: (i) Purchaser’s efforts to obtain the Licenses hereunder shall not require either party to pay any material costs for improving the physical condition of the Facilities required to satisfy licensure related inspections, and (ii) Purchaser may terminate this Agreement if the Alabama Regulatory Authorities determine that Purchaser is unable to obtain the Licenses unless Purchaser incurs material costs to improve the physical condition of the Facilities. “**Ancillary Permits and Approvals**” shall mean significant ancillary permits or licenses required for the operation of the Facilities from and after the Closing Date in the manner in which it is currently conducted as listed on Schedule 1.09 of this Agreement. “**Regulatory Approvals**” shall mean the New Licenses, and any Ancillary Permits and Approvals, collectively.

ARTICLE II. ACTIONS IN RECEIVERSHIP PROCEEDING

Section 2.01. Stalking Horse Auction. In accordance with the Bidding Procedures Order (as defined in Section 2.02 of this Agreement), Seller will sell the Purchased Assets (a) at a public auction utilizing the procedures described in in the Bidding Procedures Order and (b) pursuant to and in accordance with the Sale Order (the “**Stalking Horse Auction**”).

Section 2.02. Bidding Procedures. Within three (3) Business Days following the Effective Date, Seller will file a motion (the “**Sale Motion**”) with the Court, in form and substance approved by Purchaser, for entry of an order (the “**Bidding Procedures Order**”) approving the transaction contemplated by this Agreement and the procedures for bidding at the Stalking Horse Auction, substantially in the form attached as Exhibit G to this Agreement (the “**Bidding Procedures**”).

(a). Seller shall deliver or cause to be delivered to Purchaser for review and comment, as soon as commercially reasonable and in any event not less than one (1) Business Day prior to filing, all documents to be filed on behalf of Seller with the Court, including all motions, proposed orders, applications, petitions, schedules, and supporting papers prepared by Seller (including forms of orders and notices to interested parties) that

relate to the transactions contemplated in this Agreement. All motions, applications, petitions, schedules, and supporting papers prepared by Seller and relating (directly or indirectly) to the transactions contemplated by this Agreement to be filed on behalf of Seller after the Effective Date must be in form and substance acceptable to both Purchaser and Seller.

(b). The Bidding Procedures Order shall not be materially changed, modified, or amended without the consent of Purchaser.

(c). Seller agrees it will promptly take such actions as are reasonably necessary to obtain entry of the Bidding Procedures Order and, if Purchaser is the Successful Bidder at the Stalking Horse Auction, the Regulatory Approvals and Sale Order.

(d). The Bidding Procedures Order, in a form and substance agreed to by Purchaser shall be entered by the Court within sixty (60) days of the Effective Date.

(e). The Stalking Horse Auction shall occur within ninety (90) days of the Effective Date.

(f). The proposed Sale Order, in a form and substance reasonably agreed to by Purchaser, shall be filed with the Court simultaneously with the filing of all documents to be filed on behalf of the Seller with the Court to approve the Sale to Purchaser.

Section 2.03. Other Bids. Purchaser acknowledges that, pursuant to the Bidding Procedures Order, Seller will solicit bids from one or more other prospective purchasers for the sale of some or all of the Purchased Assets in accordance with the procedures set forth in the Bidding Procedures Order. The winning bidder at the Stalking Horse Auction will be the successful bidder (“*Successful Bidder*”).

Section 2.04. Breakup Fee. Seller agrees that in the event that Purchaser bids its Initial Bid at the Stalking Horse Auction but is not the Successful Bidder at the Stalking Horse Auction and Seller sells all or substantially all of the Purchased Assets to a bidder other than Purchaser, Purchaser shall be entitled to a breakup fee in an amount equal to Three Hundred Thousand and 00/100 Dollars (\$300,000.00), which includes reimbursement for Purchaser’s actual, reasonable expenses (the “*Breakup Fee*”) as a limited bid protection, in consideration of Purchaser’s willingness to bid at the Stalking Horse Auction, and reimbursement for, the significant efforts and funds expended by Purchaser in connection with the possible acquisition of the Purchased Assets; provided, however, that Seller’s obligation to pay the Break-up Fee shall be limited to the proceeds from a sale of some or all of the Purchased Assets to another purchaser unrelated to Purchaser, whether as part of the Stalking Horse Auction or some other transaction or sale. The Bidding Procedures Order entered by the Court shall provide that: (i) the Breakup Fee shall be paid to Purchaser at any closing of a sale of some or all of the Purchased Assets to a purchaser; (ii) if the Indenture Trustee (or its assignee) credit bids or purchases the Purchased Assets at the Stalking Horse Auction or otherwise, then the Indenture Trustee (or its assignee) shall pay the Breakup Fee to Purchaser at closing, regardless of the amount of proceeds actually paid to the Seller.

Section 2.05. Waiver of Challenge Rights. If, for any reason Purchaser is not the Successful Bidder at the Stalking Horse Auction, or otherwise does not ultimately acquire the Purchased Assets, Purchaser agrees that, in consideration for the payment of the Breakup Fee and other consideration provided under this Agreement, the Sale Motion, and Bidding Procedures Order, and provided that the terms of the Bidding Procedures Order were complied with and Purchaser is paid its Break-Up Fee from the proceeds of a sale of some or all of the Purchased Assets to another purchaser unrelated to Purchaser, whether as part of the Stalking Horse Auction or some other transaction or sale, Purchaser shall not challenge, attempt to prevent, hinder, delay, or frustrate Seller's transfer of any or all of the Purchased Assets to another transferee, and Purchaser irrevocably waives any and all rights to same. Purchaser acknowledges that the Receivership Estate will be irreparably harmed by the Purchaser's failure to comply with this Section 2.05 of the Agreement and agrees that Seller shall be entitled to equitable relief against Purchaser with respect to its rights under Section 2.05 of the Agreement.

**ARTICLE III.
CLOSING, ITEMS TO BE DELIVERED, THIRD PARTY
CONSENTS, AND FURTHER ASSURANCES**

Section 3.01. Closing. The closing (the "**Closing**") of the sale and purchase of the Purchased Assets shall take place no later than thirty-five (35) days after the Court's entry of an unstayed and unappealed Sale Order (as defined below) (which Sale Order is not the subject of a pending motion for reconsideration, Rule 59, or Rule 60 relief, and as to which the time for appeal set forth in Rule 4(a)(1)(A) of the Federal Rules of Appellate Procedure shall have passed) in the Receivership Proceeding (a "**Final Order**") approving the sale of the Purchased Assets to the Purchaser in accordance with the Bidding Procedures Order and outcome of the Stalking Horse Auction (the "**Sale Order**") (such date, the "**Closing Date**"). Purchaser shall have the right, in its sole discretion, to waive the requirement that the Sale Order be a Final Order. The Closing shall be scheduled at a time and location agreed upon by Seller and Purchaser. The Closing Date may be extended only by mutual written consent of both Seller and Purchaser. The Closing shall occur through an escrow established with Escrowee in accordance with Escrowee's escrow instructions satisfactory to Purchaser and Seller (the "**Closing Escrow**") and shall be held at the offices of Escrowee or at such other place agreed to by the Parties. Upon creation of the Closing Escrow, the payment of funds and delivery of all documents required pursuant to this Agreement shall be made through the Closing Escrow.

Section 3.02. Items to Be Delivered at Closing. At the Closing, the following events shall occur:

- (a). **Bill of Sale.** Seller will deliver the Bill of Sale, fully executed by Seller, conveying to Purchaser all of Seller's, Issuer's, and Lessee's rights, titles, and interests in, to, and under the Personal Property (as defined in Schedule 1.01), free and clear of all Liens, material claims, charges, security interests, and encumbrances.
- (b). **Receiver's Deed.** Seller will deliver the Receiver's Deed for the Facilities, fully executed by Seller and Purchaser, conveying to Purchaser all of Seller's, Issuer's and Lessee's rights, titles, and interests in, to, and under the Real Property, free and clear of all Liens other than the Permitted Liens.

(c). Assignment of Intangibles. Seller will deliver the Assignment of Intangibles, fully executed by Seller, by which Seller shall assign to Purchaser all of Seller's, Issuer's, and Lessee's interest in the Intangible Property.

(d). Assignment of Contracts and Leases. Seller will deliver the Assignment of Contracts and Leases, fully executed by Seller and Purchaser, by which Seller shall assign to Purchaser all of Seller's, Issuer's, and Lessee's interest in the contracts and leases identified therein (the "**Assigned Contracts**"). To the extent consent is required for any Assigned Contracts, Purchaser shall have the obligation to obtain any such consents and approvals, and Seller shall use commercially reasonable efforts to cooperate with Purchaser in obtaining such approvals.

(e). Payment. On the Closing Date, Purchaser shall pay the Purchase Price, plus or minus prorations as set forth in Article XI of this Agreement, in immediately available funds, by release of the Purchaser's Deposit and by payment of the balance of the Purchase Price by wire transfer of immediately available funds to an account designated in writing by Seller. Post-closing prorations for items not available on the Closing Date shall be trued-up and allocated to the appropriate Party within forty-five (45) days of the Closing Date.

(f). Allocation of Purchase Price. At Closing, Seller and Purchaser will allocate the Purchase Price amongst the Purchased Assets in accordance with the provisions of section 1060 of the Internal Revenue Code. Not less than ten (10) days prior to Closing, Purchaser shall deliver to Seller Purchaser's determination of the allocation of the Purchase Price amongst the Purchased Assets. Unless in response to such proposed allocation Seller, not less than five (5) days prior to Closing objects in writing, Seller shall be deemed to have agreed to Purchaser's allocation of the Purchase Price amongst the Purchased Assets. Purchaser shall consider Seller's comments in good faith. In the event of a dispute, the parties will work together to reach a consensual resolution, and in the event they are unable to reach a resolution, then unless Purchaser's final proposed allocation is patently unreasonable, the parties shall adopt Purchaser's final proposed allocation. The final allocation of the Purchase Price among the Purchased Assets shall be binding upon the Parties; provided, however, that the Parties acknowledge and agree that the final allocation will be adjusted if Purchaser exercises the option to purchase Accounts Receivable as provided in Section 8.01(i). No Party shall take any position with the Internal Revenue Service that is inconsistent with such final allocation unless required to do so by applicable law or in settlement of a challenge by the Internal Revenue Service. The parties shall use commercially reasonable efforts to cooperate in handling any such challenge.

(g). Closing Certificates and Documents.

(i) Seller shall deliver to Purchaser a certificate executed by a duly authorized representative of Seller certifying as to the matters set forth in Section 9.01 of this Agreement; and

(ii) Purchaser shall deliver to Seller a certificate executed by a duly authorized representative of Purchaser certifying as to the matters set forth in Section 10.01 of this Agreement.

(h). Execution and Delivery of Agreements. Seller and Purchaser shall execute and deliver such other instruments, documents, or agreements (in each case, in a form reasonably satisfactory to each such Party) that are reasonably required in order to properly and orderly consummate, give effect to, and close the transactions contemplated by this Agreement. Simultaneously with such delivery, all such steps shall be taken as may be required to put the Purchased Assets in actual possession and operating control of Purchaser.

(i). Release of the Indenture Trustee's Liens and Security Interests. On the Closing Date, but only after confirmation of receipt of the Purchase Price by the Title Company, the Seller will take such actions as are necessary to cause the Indenture Trustee's liens on and security interests in the Purchased Assets to be released. The Sale Order shall provide that the Indenture Trustee shall release any and all Liens it may have with respect to the Purchased Assets at the Closing with all such Liens to attach to the sale proceeds in the same order of validity, priority, and enforceability.

Section 3.03. Further Assurances. Seller from time to time after the Closing, at no cost to Seller, upon Purchaser's request, will execute, acknowledge, and deliver to Purchaser such other instruments of conveyance and transfer and will take such other actions as Purchaser may reasonably require in order to vest more effectively the Purchased Assets in Purchaser and to implement the transactions contemplated by this Agreement. Seller reserves the right, with respect to any request from Purchaser under this Section 3.03 of the Agreement, to seek approval of the Court.

ARTICLE IV. DOCUMENTS TO BE DELIVERED BY SELLER

Section 4.01. Documents to be Delivered by Seller. Within three (3) days of the Effective Date, Seller shall use commercially reasonable efforts to deliver to Purchaser true and correct copies of all of the following pertaining to the Purchased Assets, to the extent in Seller's possession or control:

- (a). Certificates of occupancy.
- (b). Title Insurance Commitments as provided by section 5.01(b)(i) herein.
- (c). The bill or bills issued for the three (3) most recent years for which bills have been issued for all real estate taxes and personal property taxes and a copy of any and all notices pertaining to real estate taxes or assessments. If any taxes or assessments for said years have been appealed, Seller shall provide Purchaser with copies of all petitions for appeal and evidence of full payment of the cost of any such appeals including the full payment of attorneys' fees and costs.

- (d). All certificates of insurance carried by Seller together with copies of all claims and settlements on insurance policies within the past year.
- (e). All material existing and currently effective contracts affecting the Facilities.
- (f). Reserved.
- (g). All contracts for construction, repair or capital replacement involving Twenty-Five Thousand Dollars (\$25,000) or more to be performed at the Facilities or covering such work performed during the two (2) years immediately preceding the Closing Date.
- (h). A list of currently pending lawsuits or lawsuits closed within the last two (2) years, if any, pertaining to Seller, Issuer, Lessee, or the Facilities.
- (i). A list of violations, if any, issued by any governmental authority pertaining to the Facilities.
- (j). All other studies, reports, maps and documents related to the Facilities that are reasonably available to Seller, including, without limitation, engineering reports, title policies, underlying title documents, including Seller's vesting deed, surveys, environmental reports, environmental studies, remediation activities and environmental monitoring traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same, but excluding market analyses.

To the extent any of the materials or any other records at the Facilities include medical or personal information regarding any of the residents and protected by Health Insurance Portability and Accountability Act of 1996 and all amendments thereto (“**HIPAA**”), Purchaser shall cause its agents, servants, employees, consultants, and contractors to respect the privacy thereof and to comply with all the applicable legal requirements including but not limited to HIPAA. This obligation shall survive termination of this Agreement.

Seller’s obligation to deliver the most recent and current versions of the foregoing items listed in (a) through (j) above shall be continuous through date of Closing.

**ARTICLE V.
TITLE AND SURVEY**

Section 5.01. Title and Survey.

(a). Conditions of Title. At Closing, good and marketable fee simple title to the Real Property shall be conveyed by Seller to Purchaser by the Receiver’s Deed, subject only to the Permitted Exceptions.

(b). Title.

(i) Title Insurance Commitment. Within three (3) days of the Effective Date, Seller shall deliver to Purchaser: (a) a commitment (the “**Commitment**”) for an owner’s policy of title insurance issued by the Title Company showing fee simple title to the Real Property in Issuer, and (b) legible copies of all documents cited, raised as exceptions, or noted in the Commitment (the “**Title Documents**”).

(ii) Title Review. Purchaser shall have until the date that is fourteen (14) days before the last day of the Inspection Period (as defined in Section 6.01(a) herein) (the “**Title Review Deadline**”), to notify Seller in writing (the “**Purchaser’s Objection Notice**”) of any objections to any material exception, item or issue in the Commitment, the Title Documents, or any matters shown on the survey therewith (the “**Survey**”) (collectively, the “**Objectionable Exceptions**”). Further, prior to the Closing, Purchaser may order updates or continuations of, and supplements to, the Commitment (each a “Title Update”) for the Premises, at Buyer’s sole cost. Buyer shall instruct Title Company to simultaneously deliver directly to Buyer and Seller copies of each Title Update (including tax and departmental searches) ordered by Buyer or otherwise issued by Title Company, at Buyer’s cost, and copies of all underlying documentation referenced as an exception in such Title Update as soon as and if reasonably available. If Purchaser has an objection to any matters which appear in a Title Update (which, for ease of reference, the parties also shall refer to as Objectionable Exceptions for purposes hereunder), Purchaser will send a Purchaser’s Objection Notice within five (5) Business Days of receipt thereof.

(iii) Seller shall have a period of seven (7) days after receipt of the Purchaser’s Objection Notice in which to deliver written notice to Purchaser (the “**Seller’s Title Responses**”) of those matters, if any, which Seller will undertake to cure prior to Closing. If Seller is not willing to undertake the cure of Purchaser’s objection to title, then Purchaser shall have the right, in its sole discretion, (A) to terminate this Agreement by written notice to Seller on or before the last day of the Inspection Period, in which event the Purchaser’s Deposit and all interest, if any, earned thereon shall be returned to Purchaser and, except as specifically provided in this Agreement, neither party shall have any further rights or obligations to the other under this Agreement; or (B) consummate the transaction contemplated by this Agreement in accordance with the terms of this Agreement, in which event Purchaser shall take title at the Closing subject to such objectionable terms.

(c). Title Policy. On the Closing Date, Seller shall, at Purchaser’s expense, cause Title Company to issue to Purchaser an ALTA 2006 Owner’s Policy of Title Insurance covering the Real Property (the “**Title Policy**”) or irrevocable Commitment to issue same in the amount of the Purchase Price, showing fee simple title vested in Purchaser, and subject only to: (a) general taxes not yet due or payable; (b) any matters listed on **Exhibit H** attached (or to be attached) to this Agreement; and (c) matters created by, through, or under Purchaser (collectively, the “**Permitted Exceptions**”).

ARTICLE VI. INSPECTION PERIOD

Section 6.01. Inspection Period.

(a). Inspection Period. For purposes of this Agreement, “**Inspection Period**” means the period beginning on the Effective Date and ending at 5:00 p.m. (Prevailing Central time) on March 2, 2022.

(b). Basic Project Inspection. So long as this Agreement has not been terminated, at all times prior to the Closing, including the Inspection Period and the period after the end of the Inspection Period and before Closing, Purchaser and its agents and representatives shall be entitled to inspect, examine, review, consider, and investigate the Facilities and all matters relating thereto (the “**Basic Project Inspection**”), which will include, but shall not be limited to, the right to: (i) enter upon the Facilities to perform inspections and tests of the Facilities, including the inspection, evaluation, and testing of the heating, ventilation, and air-conditioning systems and all components thereof, the roof of the Facilities, the parking lots, all structural and mechanical systems within the Facilities, including the sprinkler systems, power lines and panels, air lines and compressors, automatic doors, tanks, pumps and plumbing, and all equipment, vehicles, and personal property; (ii) examine and copy any and all books, records, tax returns, correspondence, financial data, leases, and all other contracts, agreements, documents and matters, public or private, in the possession or control of Seller or its agents, relating to receipts and expenditures pertaining to the Facilities for the entire period of Issuer’s ownership thereof or the entire period of Lessee’s leasehold thereof, including the three (3) most recent full calendar years of operation; (iii) make investigations with regard to zoning, environmental, building, code and other legal requirements including an Assessment (as defined in Section 6.01(c) of this Agreement) or an analysis of the presence of any asbestos, chlordane, formaldehyde, or other Hazardous Materials (as defined in this Agreement) in, under, or upon the Facilities; (iv) make or obtain market studies and real estate tax analyses; and (v) analyze the financial feasibility of ownership of the Facilities.

(c). Assessment. During the Inspection Period, Purchaser and Purchaser’s agent(s) shall have the right to employ one or more environmental consultants or other professionals to perform or complete a so-called “Phase I” and/or “Phase II” environmental inspection and assessment (each, an “**Assessment**”) of the Facilities, and Seller hereby acknowledges and consents to such Assessment. Purchaser, its agents, consultants, and/or professionals shall also have the right to undertake or complete a technical review of all documentation, reports, plans, studies, and information in possession or control of Seller, or Seller’s, Issuer’s, or Lessee’s past or present environmental consultants, concerning or in any way related to the environmental condition of the Facilities. In order to facilitate the Assessment(s) and such technical review, Seller shall extend its full cooperation (but without third party expense to Seller) to Purchaser, its agents, consultants, and professionals, which cooperation shall include providing access to all files and fully and completely answering all questions. Any Assessment may evaluate the present and past uses of the Facilities, and the presence on, in or under the Land (and on, in, or under land sufficiently proximate to the Facilities) of any Hazardous Materials.

(d). Purchaser’s Right to Terminate. Purchaser shall have the right, in its sole and absolute discretion, to terminate this Agreement for any reason whatsoever, or for no reason, by written notice to Seller on or before the last day of the Inspection Period. In such event, the Purchaser’s Deposit shall be returned to Purchaser and, except as specifically provided in this Agreement, neither party shall have any further rights or obligations to the other under this Agreement.

(e). Seller Acknowledgement. Seller acknowledges and agrees that Purchaser will expend material sums of money in reliance on Seller obligations under this Agreement, in connection with negotiating and executing this Agreement, furnishing the Purchaser's Deposit, conducting the inspections contemplated by this Article VI and preparing for Closing, and that Purchaser would not have entered into this Agreement without the availability of the Inspection Period. The Parties therefore agree that adequate consideration exists to support Seller's obligations under this Agreement, even before expiration of the Inspection Period.

(f). Duty to Repair; Indemnification. Purchaser hereby covenants and agrees that it shall cause all studies, investigations and inspections (including, without limitation, any Assessment) performed at the Facilities pursuant to this Article VI to be performed in a manner that does not unreasonably disturb or disrupt the residents of the Facilities. If, solely as a result of Purchaser's exercise of its rights under this Article VI, any damage occurs to the Facilities, then Purchaser shall promptly repair such damage, at Purchaser's sole cost and expense, so as to return the Facilities to substantially the same condition; provided that (i) Purchaser's obligations under this paragraph shall not include the cost of repairing any underlying condition discovered at one or more Facilities, and (ii) Seller shall have no obligation to repair any underlying condition discovered at one or more of the Facilities. Purchaser hereby indemnifies, protects, defends, and holds Seller harmless from and against any and all losses, damages, causes of action, judgments, damages, costs, and expenses that Seller actually suffers or incurs as a result of any damage caused at, to, or in the Facilities by the acts or omissions of Purchaser or its agents, consultants, or professionals pursuant to this Article VI.

(g). Insurance. Prior to entering upon the property, Purchaser shall obtain and maintain, and shall cause each of Purchaser's agents to obtain and maintain, at Purchaser's agents' sole cost and expense, commercial general liability insurance coverage, including coverage for personal injury, bodily injury (including death), contractual liability and broad form property damage, in the amount of at least One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) general aggregate.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01. Representations and Warranties of Seller. Seller, solely in his capacity as court appointed receiver and not in any other capacity, represents and warrants to Purchaser as follows:

(a). Status and Good Standing. Seller is the lawfully appointed receiver for the Receivership Estate and, by virtue of the Receivership Order, is vested with full power and authority to enter into this Agreement.

(b). Purchased Assets. Subject to approval by the Court, Seller has the right to: (i) transfer ownership of the Purchased Assets to Purchaser; and (ii) transfer ownership of, or in the case of personal property held under a lease or contract (subject to the terms of the lease of contract), an enforceable leasehold interest in, or right to use, the Purchased Assets.

(c). Authorization.

(i) The execution, delivery, and performance by Seller of this Agreement and the other agreements to be entered into by it pursuant to the terms of this Agreement, and the consummation by Seller of the transactions contemplated by this Agreement are within Seller's corporate powers and the powers granted to Seller under the Receivership Order, will be in accordance with the powers granted to Seller under the Sale Order, are not in contravention of the terms of Seller's documents of formation, and, subject to obtaining the Sale Order, and Regulatory Approvals, have been duly authorized and approved by all necessary parties, tribunals, or individuals from which such authorization and approval is required to consummate the transactions contemplated by this Agreement. Subject to obtaining the Sale Order, and Regulatory Approvals, no other corporate proceedings on the part of Seller are necessary to authorize the execution, delivery, and performance of this Agreement or any other agreement to be entered into by Seller pursuant to or in accordance with this Agreement.

(ii) This Agreement has been duly and validly executed and delivered by Seller. As of the Closing, the other agreements and instruments to be entered into or executed by Seller pursuant to the terms of this Agreement will have been duly and validly executed and delivered by Seller. Subject to obtaining the Bidding Procedures Order, Sale Order, and Regulatory Approvals, this Agreement constitutes, and upon execution and delivery by Seller, the other agreements to be entered into pursuant to and in accordance with this Agreement, will constitute, the legal, valid, and binding obligations of Seller enforceable against Seller, and the Receivership Estate in accordance with their respective terms (assuming the valid authorization, execution, and delivery of this Agreement and such other agreements by Purchaser).

(d). No Third Party Options. To Seller's Knowledge (as defined herein), there are no existing agreements, options, commitments, or rights with, of, or to any person to acquire any of the Purchased Assets or any interest in the Purchased Assets.

(e). Validity of Contemplated Transactions. Subject to Seller obtaining the Sale Order from the Court, and the Parties obtaining the Regulatory Approvals, delivery and performance of this Agreement by Seller does not and will not violate, conflict with, or result in the breach of any term, condition, or provision of, or require the consent of any other person under, (i) any applicable existing law, ordinance, or governmental rule or regulation to which Seller is subject, (ii) any applicable judgment, order, writ, injunction, decree, or award of any court, arbitrator, or governmental or regulatory official, body, or authority that is applicable to Seller, (iii) the charter documents of Seller, or (iv) any applicable mortgage, indenture, agreement, contract, commitment, lease, plan, governmental approval, or other instrument, document, or understanding, oral or written, to which Seller, Issuer, or Lessee is a party, by which Seller, Issuer, or Lessee may have rights, by which the Facilities may be bound or affected, or which gives any party the right to terminate, modify, accelerate, or otherwise change the existing rights or obligations of Seller. Subject to Seller obtaining the Sale Order from the Court, no authorization, approval, or consent of, and no registration or filing with, any governmental or regulatory official, body, or authority is required in connection with the execution, delivery, or performance of this Agreement by Seller. Receipt of the New Licenses as well as the other Regulatory Approvals are the primary

responsibility of Purchaser's commercially reasonable efforts, with cooperation from Seller, as set forth in Section 1.09 above.

(f). Sale Assets Complete and Lien Free. Pursuant to the Receivership Order, Seller has good and valid title to the Purchased Assets or in the case of real and personal property held under a lease or contract (subject to the terms of the lease or contract), an enforceable leasehold interest in, or right to use, the Purchased Assets and, subject to the terms and conditions of the Sale Order and Regulatory Approvals, Seller will transfer the Purchased Assets at Closing free and clear of all Liens, material claims, charges, security interests, and encumbrances. Further, to Seller's Knowledge, the Purchased Assets constitute all of the assets necessary to operate the Facilities and the Business consistent with past practice.

(g). Litigation. Aside from the Receivership Proceeding, to Seller's Knowledge, Seller, Issuer, and Lessee are not a party to or subject to the provisions of any claim, suit, action, judgment, order, writ, injunction, investigation, decree, or award of any court, arbitrator, or governmental or regulatory official, body, or authority that may adversely affect the transactions contemplated by this Agreement.

(h). Commissions. There are no broker commissions owed, except that, in connection with the transaction contemplated by this Agreement, the Seller will pay Blueprint Healthcare Real Estate Advisors, LLC as provided for in the Engagement Agreement dated as of August 16, 2021, for the services it rendered as a broker.

(i). Leases. To Seller's Knowledge, the copies of the Residency Agreements (as defined in Schedule 1.01(e)) and Leases (as defined in the Assignment of Contracts and Leases attached hereto as Exhibit E) delivered to Purchaser are true and correct copies of all such Residency Agreements and Leases and are in full force and effect and there are no other agreements, written or oral, with respect to the tenancies at the Facilities. None of the Personal Property is leased, except as set forth in Schedule 7.01(i) (the "***Leased Personal Property***").

(j). Covenants and Zoning. Seller has not received written notice of, and to Seller's Knowledge there are not, (i) any material violations of any covenants or restrictions recorded in the public land records against the Facilities or (ii) any material violations of any zoning codes or ordinances applicable to the Facilities, (iii) any pending zoning or other land use change affecting the Purchased Assets, (iv) assertions or allegations of any material violations or potential violations of any applicable laws (including zoning and land use ordinances, building codes and similar requirements) with respect to the Purchased Assets, which have not heretofore been cured; or (v) any pending or threatened proceedings, nor any claims or actions against Seller or the Purchased Assets, relating to the ownership, lease, use or occupancy of the Purchased Assets or any portion thereof which is reasonably likely to result in a material change in the condition of the Purchased Assets or the ownership or operation of the Purchased Assets. Neither Seller nor, to Seller's Knowledge, any other person is in violation of a condition or agreement contained in any easement, restrictive covenant or any similar instrument or agreement affecting any of the Purchased Assets in any material respect.

(k). Condemnation. Seller has not received written notice of condemnation or eminent domain proceedings pending or, to Seller's Knowledge, threatened or contemplated against the Facilities, or any part thereof.

(l). Property Access. Seller has received no written notice of any federal, state, county, municipal, or other governmental plans to change the highway or roads adjacent to the Facilities or to restrict or change access from any such highway or road to the Facilities.

(m). Environmental Matters. To Seller's Knowledge, Seller's operation of the business and the Purchased Assets are and have been in material compliance with all environmental laws. There is not now pending or, to Seller's Knowledge, threatened any claim, investigation, or enforcement action by any governmental authority (whether judicial, executive, or administrative) concerning Seller's potential liability or remediation under environmental laws in connection with the operation of the Facilities or the Purchased Assets. To Seller's Knowledge, there has not been a release or threatened release of any hazardous substance at, upon, in, under, or from the Purchased Assets at any time. To Seller's Knowledge, no portion of the Real Property has been used as a dump or landfill or a storage, recycling or disposal facility for any hazardous substance, other than for the storage and disposal of medical waste in connection with the ordinary course operation of the business and in a lawful manner.

(n). Regulatory Compliance. Seller has filed all reports, data and other information required to be filed with applicable governmental authorities, including without limitation the Alabama Regulatory Authorities. Except as set forth on Schedule 7.01(n), to the Knowledge of Seller as of the Schedules Date (as defined in Section 16.09), Seller is in compliance in all material respects with all applicable statutes, rules, regulations, and requirements, including healthcare laws and regulations, of each governmental authority having jurisdiction over the Seller and the Purchased Assets and the operations of the Facility and the Purchased Assets. To the extent any material deficiencies are determined during an Alabama Department of Public Health healthcare survey, or by another appropriate governmental authority, Seller has corrected such deficiencies as of the Closing Date or has proposed a plan of correction which as of the Closing Date has been accepted or is reasonably anticipated to be accepted by the applicable governmental authority, and to the extent not completed as of Closing, will not impose any material burden or cost on Purchaser post-Closing.

(o). Employee Relations. Seller is in compliance in all material respects with all applicable laws and contracts respecting employment and employment practices, labor relations, terms and conditions of employment, and wages and hours. Except as set forth on Schedule 7.01(o), to Seller's Knowledge, (i) the Facilities and the businesses operated there are not subject to any union participation or collective bargaining agreements, and are not the subject of any unionizing activity, and (ii) there are no complaints before or claims by a governmental authority regarding employment discrimination, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like.

(p). Financial Information. Seller has or is providing certain financial information and financial statements (collectively, the "**Financial Statements**") regarding the Business during the Receivership. Except as set forth on Schedule 7.01(p), to Seller's Knowledge as of the Schedules

Date, such Financial Statements (i) are accurate in all material respects and have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated, and any unaudited Financial Statements may not include required footnote disclosures or reflect normal year-end adjustments, and (ii) present fairly, in all material respects, the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated.

(q). Tax Matters. Except as set forth on Schedule 7.01(q):

(i) Seller's Knowledge Person has, as of the Effective Date, no knowledge whether all Taxes due and owing by Seller, Issuer, and Lessee (whether or not shown on any tax return) have been timely paid when due (taking into account any applicable extensions), including all Taxes with respect to the Purchased Assets.

(ii) There are no liens relating to Taxes on any of the Purchased Assets other than liens for Taxes not yet due and payable.

(iii) To Seller's Knowledge as of the Schedules Date, proper and accurate amounts have been withheld by Seller in order for Lessees to be compliant with the payroll tax and other withholding provisions of all Applicable Laws, and all of such amounts have been timely remitted to the proper taxing authority.

(iv) Seller's Knowledge Person, as of the Effective Date, has no knowledge whether (a) Seller and Lessee have timely filed all tax returns required to be filed by them, including all tax returns relating to the Purchased Assets (all of which are true, complete and correct in all material respects), (b) none of Seller, Issuer, and Lessee have waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a tax assessment or deficiency, which currently remains in effect, and (c) none of Seller, Issuer, and Lessee are currently the beneficiary of any extension of time within which to file any tax return.

(v) To Seller's Knowledge, (i) no deficiencies for Taxes have been claimed, proposed or assessed by any governmental authority for which Seller or Lessees may have any liability or which may attach to the Purchased Assets, (ii) there are no pending or threatened proceedings for or relating to any liability in respect of Taxes for which Seller or Lessees may have any liability or which may attach to the Purchased Assets, (iii) there are no matters under discussion by Seller or Lessees with any governmental authority with respect to Taxes that may result in an additional amount of Taxes for which Seller or Lessees may have any liability or which may attach to the Purchased Assets, and (iv) no Governmental Authority has notified Seller or Lessees that it has conducted an audit of any Taxes that may be due and owing by Seller or Lessees or as the result of any audit by Seller, which currently remains outstanding or unresolved.

(r). Recitals and Section 4.01. The Recitals to this Agreement are true and accurate. Further, the documents provided pursuant to Section 4.01 are true, accurate, and complete in all material respects.

(s). AS IS, WHERE IS. Seller is selling the Purchased Assets to Purchaser, and Purchaser is buying the Purchased Assets from Seller, on an “**AS IS, WHERE IS**” basis as of the Closing and in their condition as of the Closing with “**ALL FAULTS**”, and Seller and its representatives do not make, have not made, and will not make any representation or warranty, express or implied, at law or in equity, with respect to any portion of the Purchased Assets or the transactions contemplated by this Agreement, except (a) as provided in this Agreement and (b) the warranties of title contained in the Receiver’s Deed and Bill of Sale.

As used herein, “*Seller’s Knowledge*” means the actual (as opposed to the imputed or constructive) knowledge solely of Derek Pierce, Managing Partner of Healthcare Management Partners, LLC (“*Seller’s Knowledge Person*”), as Receiver. Seller’s Knowledge Person shall have no duty of investigation or inquiry, nor shall Seller’s Knowledge Person have any personal liability for any misrepresentation or inaccuracy of any representation or warranty contained in this Agreement or related documents.

Seller’s express representations in this Section 7.01 shall not survive the Closing..

Section 7.02. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a). Valid Existence. Purchaser is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of Delaware.

(b). Corporate Power and Authority.

(i) The execution, delivery, and performance by Purchaser of this Agreement and the other agreements to be entered into by Purchaser pursuant to and in accordance with this Agreement and the consummation by Purchaser of the transactions contemplated by this Agreement are within Purchaser’s corporate powers, are not in contravention of the terms of Purchaser’s formation and governing documents, and have been duly authorized and approved as a valid corporate act pursuant to and in accordance with applicable law. No other company proceedings on the part of Purchaser are necessary to authorize the execution, delivery, and performance of this Agreement or any other agreement to be entered into by Purchaser pursuant to and in accordance with this Agreement.

(ii) This Agreement has been duly and validly executed and delivered by Purchaser. As of the Closing, the other agreements and instruments to be entered into or executed by Purchaser pursuant to and in accordance with the terms of this Agreement will have been duly and validly executed and delivered by Purchaser. This Agreement constitutes (and upon their execution and delivery by Purchaser, the other agreements to be entered into pursuant to and in accordance with this Agreement by Purchaser will constitute) the legal, valid, and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms (assuming valid authorization, execution, and delivery of this Agreement by Seller).

(c). Validity of Contemplated Transactions. Except for Purchaser's obtaining the Regulatory Approvals necessary for the transactions contemplated by this Agreement, the execution, delivery, and performance of this Agreement by Purchaser does not and will not violate, conflict with, or result in the breach of any term, condition, or provision of, or require the consent of any other party to, (i) any existing law, ordinance, or governmental rule or regulation to which Purchaser is subject, (ii) any judgment, order, writ, injunction, decree, or award of any court, arbitrator, or governmental or regulatory official, body, or authority that is applicable to Purchaser, or (iii) the charter documents of Purchaser. Except for Purchaser's obtaining the Regulatory Approvals necessary for the transactions contemplated by this Agreement, no authorization, approval, or consent of, and no registration or filing with, any governmental or regulatory official, body, or authority is required in connection with the execution, delivery, and performance of this Agreement by Purchaser.

(d). Sufficiency of Funds. Purchaser has unencumbered cash on hand or credit arrangements with financially responsible affiliated or third parties, or a combination of the foregoing, in an aggregate amount sufficient to enable Purchaser to pay the Purchase Price and all other amounts payable by Purchaser in connection with this Agreement and the transactions provided for in this Agreement.

(e). Inspection Period. During the Inspection Period, Purchaser shall have the right to conduct such due diligence as Purchaser deems reasonably necessary in order to proceed with the Stalking Horse Auction with the intent of purchasing the Purchased Assets in accordance with this Agreement. Upon the expiration of the Inspection Period without termination, this Agreement shall become binding on Purchaser in accordance with its terms.

(f). Receivership Proceeding. Neither Purchaser nor to Purchaser's knowledge, any affiliate, member or control person of Purchaser is an affiliate, member or control person of any defendant in the action where the Court entered the Receivership Order (a "*Defendant*"). Neither Purchaser nor, to Purchaser's knowledge, any affiliate, member or control person of Purchaser has entered into any agreement or agreement to enter into an agreement with any Defendant or affiliate, member or control person of any Defendant.

ARTICLE VIII. AGREEMENTS PENDING CLOSING

Section 8.01. Agreements of Seller Pending Closing. Seller covenants and agrees that, pending Closing and except as otherwise agreed to in this Agreement or in writing by Purchaser:

(a). No Adverse Action. Seller will take no action that would materially impair or damage any of the Purchased Assets.

(b). Required Approvals. At no out of pocket expense to Seller, Seller shall reasonably cooperate with Purchaser with respect to all filings that Purchaser elects to make in connection with the transactions contemplated under this Agreement.

(c). Vendor Discussions. After entry of the Bid Procedures Order, Seller shall permit Purchaser to engage in discussions and negotiations with Seller's vendors for the purpose of negotiating terms and contracts between Purchaser and such vendors in connection with the acquisition of the Purchased Assets.

(d). Employee Discussions. After entry of the Bid Procedures Order, in compliance with all applicable laws and Section 15.12 of this Agreement, Seller shall grant Purchaser and its representatives reasonable access to Seller's employees at the Facilities for the purpose of exercising the option but not the obligation to hire, on a probationary basis, certain employees of the Facilities who satisfy the Purchaser's standard hiring practices, including licensing, background testing, reference checking, and medical testing.

(e). Sale of Facilities; Negotiations. Seller shall not, directly or indirectly, sell or encumber all or any part of the Purchased Assets, initiate or participate in any discussions or negotiations for the sale or encumbrance of all or any part of the Purchased Assets, or enter into any agreement to do any of the foregoing prior to the Stalking Horse Auction, other than in connection and consistent with the Bidding Procedures and Stalking Horse Auction. Further, following the Execution Date and prior to entry of the Bid Procedures, Seller shall not negotiate with any other parties regarding acting as Stalking Horse for the Facilities.

(f). Regular Course of Business. Seller shall continue the Business of the Facilities without interruption or significant change. Further, Seller shall use commercially reasonable efforts to: (i) not enter into, without the prior written consent of Purchaser, any agreements or leases other than in the ordinary course of business; and (ii) keep in full force and effect present insurance policies through the Closing Date or other comparable insurance coverage.

(g). Delivery of Inventories and Supplies at Closing. At Closing, Seller shall deliver to Purchaser by leaving at the Facilities any inventories of perishable food, nonperishable food, central supplies, pharmaceutical supplies, linen, housekeeping and other supplies, all of which shall be in the amount typically maintained in the ordinary course of business, or if greater, amounts required by law.

(h). Borrowing. Seller shall not create or permit to become effective any Lien upon the Purchased Assets other than Permitted Liens or a lien that will be discharged in full prior to or at Closing.

(i). Option to Purchase Accounts Receivable. Five (5) Business Days before the Closing Date the Purchaser and Seller shall determine whether the Accounts Receivable (as defined in Schedule 1.02) will be purchased at Closing for a negotiated sum. In the event the Parties agree the Accounts Receivable will be purchased at Closing, the parties further agree to modify this Agreement to take into account the purchase of the Accounts Receivable.

Section 8.02. Agreements of Purchaser Pending Closing. Purchaser covenants and agrees that, pending Closing and except as otherwise agreed to in this Agreement or in writing by Seller:

(a) Satisfaction of Conditions. Purchaser will use Purchaser's reasonable efforts to cause all of the conditions to the obligations of Purchaser under this Agreement to be satisfied on or before the Closing Date.

(b) Cooperation. Purchaser shall cooperate with Seller to cause all the conditions to the obligations of Purchaser under this Agreement to be satisfied within the time specified above and will not knowingly take any action that would result in a breach of any of Purchaser's representations and warranties under this Agreement.

ARTICLE IX. CONDITIONS PRECEDENT TO CLOSING OBLIGATIONS OF PURCHASER

All obligations of Purchaser under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent:

Section 9.01. Representations and Warranties True as of Closing Date. The representations and warranties of Seller contained in this Agreement or in any Schedule, certificate, or document delivered by Seller to Purchaser pursuant to and in accordance with the provisions of this Agreement shall be true and correct on the Closing Date with the same effect as though such representations and warranties were made as of such date.

Section 9.02. Compliance with Agreement. Seller shall have performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at Closing.

Section 9.03. No Threatened or Pending Litigation. On the Closing Date, aside from the Receivership Proceeding, no other suit, action, or other proceeding, or injunction or final judgment, shall be threatened or be pending before any court or governmental body in which it is sought to restrain or prohibit the consummation of the transactions contemplated by this Agreement, and no investigation that might result in any such suit, action, or proceeding shall be pending or threatened.

Section 9.04. Documents. Seller shall have delivered to Purchaser true and complete copies of any order granting Seller the power to consummate the transactions contemplated by this Agreement, or any other such related document as may be reasonably requested by Purchaser.

Section 9.05. Stalking Horse Auction Result. Purchaser shall have been the Successful Bidder at the Stalking Horse Auction.

Section 9.06. Court Approval. The Court shall have entered a Final Order (unless the conditions of finality shall have been expressly waived in writing by Purchaser), in a form materially the same as the form of the Sale Order proposed in the Bidding Procedures (and acceptable to Purchaser), approving the sale of the Purchased Assets to Purchaser free and clear of all Liens (except for the Assumed Liabilities and Permitted Liens) and such Sale Order shall not be stayed and shall not have been modified or amended, without the consent of the Purchaser.

Section 9.07. New Licenses. Purchaser shall have received the New Licenses or Purchaser shall have obtained such written assurances from the Alabama Regulatory Authorities,

in form and substance reasonably acceptable to Purchaser, that the New Licenses have been or will be issued by the relevant agency to Purchaser effective as of the Closing Date and that the Parties are authorized by each applicable agency to proceed with the transactions contemplated hereunder and Purchaser will be able to bill for its services following the Closing Date for an interim period whether pursuant to a transition services agreement or otherwise; provided, however, that regardless of the terms of the transition services agreement, nothing shall require Seller to continue the receivership or require the Seller to continue the transition services agreement past 90 days from the Closing Date.

Section 9.08. Title Insurance. Seller shall have caused the Title Company to issue the Title Policy satisfying the requirements of Section 5.01(c).

Section 9.09. Absence of Material Adverse Effect. No Material Adverse Effect shall have occurred from the Effective Date through the Closing Date. For purposes of this Agreement, “*Material Adverse Effect*” shall mean (a) a drop in occupancy of fifteen percent (15%) or more at any single Facility or when considering the Facilities in the aggregate, when compared to the Effective Date, (ii) a drop in revenue of fifteen percent (15%) or more at any single Facility or when considering the Facilities in the aggregate, compared to the Effective Date, (iii) closure or cessation of operations at any of the Facilities, or (iv) an immediate jeopardy tag, denial of payment for new admissions, or similar significant regulatory or payor action that has not been fully removed and remedied prior to Closing.

ARTICLE X.

CONDITIONS PRECEDENT TO CLOSING OBLIGATIONS OF SELLER

All obligations of Seller under this Agreement are subject to the fulfillment or satisfaction, prior to or at the Closing, of each of the following conditions precedent:

Section 10.01. Representations and Warranties True as of Closing Date. The representations and warranties of Purchaser contained in this Agreement or in any Schedule, certificate, or document delivered by Purchaser to Seller pursuant to and in accordance with the provisions of this Agreement shall be true on the Closing Date with the same effect as though such representations and warranties were made as of such date.

Section 10.02. Compliance with Agreement. Purchaser shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Purchaser prior to or at Closing.

Section 10.03. No Threatened or Pending Litigation. On the Closing Date, aside from the Receivership Proceeding, no other suit, action, or other proceeding, or injunction or final judgment, shall be threatened or be pending before any court or governmental body in which it is sought to restrain or prohibit the consummation of the transactions contemplated by this Agreement, and no investigation that might result in any such suit, action, or proceeding shall be pending or threatened.

Section 10.04. Formation Documents. Purchaser shall have delivered to Seller true and complete copies of Purchaser’s documents of formation and, if applicable, evidence of qualification to do business in the State of Alabama.

Section 10.05. Stalking Horse Auction Result. The conditions set forth in Section 9.05 shall have been satisfied.

Section 10.06. Court Approval. The conditions set forth in Section 9.06 shall have been satisfied.

ARTICLE XI. ADJUSTMENTS

Section 11.01. General. Proration of rentals, revenues, and other income, if any, from the Purchased Assets and taxes, assessments, and other operational costs, charges and expenses affecting the Purchased Assets shall be prorated as of 11:59 p.m. on the Closing Date (“***Proration Date***”). It is agreed that the Closing Date shall be an income and expense date for Seller. There shall be no proration of any insurance premiums with respect to the Facilities, nor any assumption of insurance coverage by Purchaser, unless Purchaser so elects in writing. If any item of income or expense is not available on the Closing Date, said item shall be debited or credited to the appropriate party when said items become reasonably available and appropriate. The Parties shall hold a conference at the request of either Party within forty-five (45) days of the Closing Date to discuss and resolve any outstanding proration items. The Parties shall have reasonable access to the work papers and other materials used by their respective representatives in determining the outstanding proration items. With respect to any outstanding proration items, Purchaser and Seller acknowledge and agree that any net amounts shall be remitted at the conclusion of the proration conference.

Section 11.02. Taxes. On or before the Closing Date, Seller shall pay all statutory ad valorem taxes and assessments, including without limitation all special assessments, on the Real Property which are due and payable on or prior to the Closing Date. Unpaid taxes and assessments on the Real Property shall be prorated as of the Closing Date based upon 100% of the most recent ascertainable assessed valuation, tax multipliers, and tax rate.

Section 11.03. Prepaid Rentals and Tenant Deposits. Prepaid rentals in Seller’s possession, including any tenant payments to Seller for such tenant’s share of real property taxes and assessments, insurance premiums, common area maintenance and operation and utilities, that are received by Seller and are unexpended as of the Proration Date shall be credited to Purchaser as of the Closing Date and Purchaser shall assume all of Seller’s financial and custodial obligations with respect to the prepaid rent (to the extent actually received by Purchaser). Purchaser shall be credited and Seller shall be debited with an amount equal to all rent abatements and concessions for periods on and after the Closing Date pursuant to any of Leases executed prior to the Closing Date. Refundable tenant deposits, if any, in Seller’s possession shall be credited to Purchaser as of the Closing Date (unless transferred by Seller to Purchaser).

Section 11.04. Operating Expenses. All utility services charges for electricity, heat and air conditioning service, and other utilities, and bed taxes charged by governmental authority, shall be prorated on an accrual basis. Seller shall pay all such expenses that accrue for the period on or prior to the Closing Date and Purchaser shall pay all such expenses accruing for the period after the Closing Date. To the extent possible, Seller and Purchaser shall obtain billings and meter readings as of the Closing Date to aid in such prorations.

Section 11.05. Credit. Purchaser shall receive at Closing a Two Hundred Fifty Thousand Dollar (\$250,000) credit against the Purchase Price (the “*No Indemnity Credit*”). The Facilities receive payments for services to residents from third parties, including, but not limited to, Medicare and Medicaid. These third party payors have contract provisions and/or statutory rights that permit them to clawback or recapture payments previously made to the Facilities if it is later determined that the third party payors have overpaid the Facilities, and which in some circumstances could be recouped against Purchaser in connection with Purchaser’s assumption of Sellers’ Medicare provider number(s), for example. In addition, the Facilities are required to file final cost reports with all applicable state and federal agencies in accordance with applicable law, and there are penalties associated with the failure to do so. Generally, a Purchaser would require indemnity from a Seller for such potential liabilities, but because of the receivership and the limited time it is anticipated to continue, the parties have agreed to settle any potential indemnification claims with the No Indemnity Credit. However, for the avoidance of doubt, nothing in this Section or this Agreement is intended to, or does, in any way effectuate any assumption of such liabilities (or any liabilities other than those provided in **Schedule 1.05**) by Purchaser, and this paragraph is intended as an accommodation to and settlement with Purchaser to help provide for earlier closure of the receivership estate, not as an assumption of liabilities.

Section 11.06. Other Prorations. Seller and Purchaser shall make such additional adjustments as are normally made in connection with a purchase and sale of the type contemplated in this Agreement, in accordance with customary practice in Mobile County, Alabama.

Section 11.07. Survival. The provisions of **Article XI** of this Agreement shall survive the Closing.

ARTICLE XII. CLOSING COSTS

Section 12.01. Closing Costs. Purchaser shall bear the cost of the Title Policy, the cost of closing escrow, and the cost of the Survey, the state/local grantee tax, and the mortgage tax for any mortgage recorded by Purchaser in connection with the Closing. Seller shall bear the cost of any recording fees with respect to the Receiver’s Deed, the cost to record any instruments necessary to clear Seller’s title, and the grantor deed transfer tax. All other costs and expenses in connection with the transaction contemplated by this Agreement shall be borne in accordance with local custom. Each party shall pay its own attorneys’ fees incurred with respect to the preparation and negotiation of this Agreement and the closing of the transaction contemplated by this Agreement.

ARTICLE XIII. DAMAGE OR DESTRUCTION TO FACILITIES

Section 13.01. Damage or Destruction to Facilities. If between the Effective Date and the Closing Date, all or any portion of the Purchased Assets is damaged or destroyed by fire or other casualty, Seller shall notify Purchaser in writing of such damage or destruction (the “*Casualty Notice*”) and, if such damage or destruction is in excess of \$100,000.00 in value to the Purchased Assets or necessary repairs to the Purchased Assets (as determined by an independent insurance adjuster designated by Seller’s insurance company), Purchaser, at its sole option, may elect to:

(a). terminate this Agreement, in which event the Purchaser's Deposit shall be returned to Purchaser and, except as specifically provided in this Agreement, neither party shall have any further rights or obligations to the other under this Agreement; or

(b). consummate the transaction contemplated by this Agreement, in which event Purchaser shall receive a credit against the Purchase Price in an amount equal to (i) Seller's and Purchaser's reasonable determination of the cost of restoring the Purchased Assets less any sums expended by Seller in repairs or restoration necessary to remedy any Purchased Assets unsafe conditions caused by the casualty or condemnation or prevent further damage to the Purchased Assets, or (ii) if greater, the insurance proceeds available for such repairs.

Section 13.02. Casualty Election Date. Purchaser shall have until the date (the "***Casualty Election Date***") that is thirty (30) days after receipt of the Casualty Notice to elect whether to terminate or proceed with this Agreement. If Purchaser fails to notify Seller of its election on or before the Casualty Election Date, then Purchaser shall be deemed to have elected to proceed with this Agreement.

Section 13.03. Extension of Closing Date. If the Closing Date is a date prior to the Casualty Election Date, the Closing Date shall be extended to a date twenty (20) days after the Casualty Election Date.

ARTICLE XIV. CONDEMNATION

Section 14.01. Condemnation or Eminent Domain. If between the Effective Date and the Closing Date any condemnation or eminent domain proceedings are initiated which might result in the taking of any material part of the Purchased Assets, Seller shall notify Purchaser in writing of such proceedings (the "***Condemnation Notice***") and Purchaser, at its sole option, may elect to:

(a). terminate this Agreement, in which event the Purchaser's Deposit shall be returned to Purchaser and, except as specifically provided in this Agreement, neither party shall have any further rights or obligations to the other under this Agreement; or

(b). consummate the transaction contemplated by this Agreement, in which event Seller shall assign to Purchaser at Closing all of Seller's right, title, and interest in and to any award pertaining to the Purchased Assets made in connection with such condemnation or eminent domain proceedings.

Section 14.02. Condemnation Election Date. Purchaser shall have until the date (the "***Condemnation Election Date***") that is thirty (30) days after receipt of the Condemnation Notice to elect whether to terminate or proceed with this Agreement. If Purchaser fails to notify Seller of its election on or before the Condemnation Election Date, then Purchaser shall be deemed to have elected to proceed with this Agreement.

Section 14.03. Extension of Closing Date. If the Closing Date is a date prior to the Condemnation Election Date, the Closing Date shall be extended to a date twenty (20) days after the Condemnation Election Date.

**ARTICLE XV.
ADDITIONAL AGREEMENTS**

Section 15.01. Medicare/Medicaid Issues. After Closing, Seller shall cooperate with Purchaser, to effect an orderly change of ownership in respect to licenses, permits and Medicare and Medicaid program certification.

Section 15.02. Custodian of Medical Records. On the Closing Date, the Parties agree that Seller shall transfer to the Purchaser and Purchaser shall become the custodian of and maintain all obligations (that relate to the period after the Closing) and control over the medical records (which shall include x-rays and other films and reports, notes, lab test results, and any and all documents relating to patients) in possession of Seller or located at the Facility for all current and prior residents of the Facility (the “**Medical Records**”). On the Closing Date, the Purchaser shall become the custodian of the Medical Records and shall assume from Seller on an “AS IS” “WHERE IS” basis, control, custody, and possession in accordance with applicable law.

Section 15.03. Custody and Maintenance of Medical Records; Indemnity. From and after receipt of the Medical Records pursuant to and in accordance with Section 15.02 above and this Agreement, Purchaser covenants that Purchaser shall be solely responsible for keeping and maintaining the Medical Records so transferred and providing them upon the lawful request of a patient (or other third party) in accordance with all applicable laws, rules, and regulations. Purchaser covenants that Purchaser shall maintain the Medical Records for each patient for a period of the lesser of (i) ten (10) years after the last date of service with respect to such patient, or (ii) the period required by law. After the Closing Date, Seller shall have no obligation to maintain any Medical Records or respond to any requests for Medical Records, which obligation shall be the sole responsibility of Purchaser. In order to help make it possible for Seller to close the receivership estate promptly, Purchaser agrees to indemnify, defend, and hold harmless Seller for any and all claims by patients or other third parties arising out of or related to the transfer or maintenance of the Medical Records related to the period following Closing, including, without limitation, Purchaser’s failure to comply with any laws or regulations relating to the Medical Records after the Closing Date.

Section 15.04. Compliance. As applicable, the Parties acknowledge and recognize their status, responsibilities, and obligations as health care providers and covered entities, as those terms are defined in the privacy and security regulations issued under HIPAA and contained in 45 C.F.R. Parts 160 and 164 (the “**Regulations**”). The Parties agree to comply with the Regulations as well as with all other federal and state laws and regulations, in the execution and operation of this Agreement.

Section 15.05. Access to Purchased Assets. Seller shall be entitled to retain copies of any or all of the books and records of the Purchased Assets following the Closing and to use the information contained in such books and records for all purposes relating, directly or indirectly, to the Receivership Proceeding and the winding up of the Receivership Estate. In addition to the foregoing, Purchaser shall afford Seller reasonable access, upon reasonable notice during normal business hours or at other reasonable times, to books and records included within the Purchased Assets, in order for Seller to administer and wind down the Receivership Estate.

Section 15.06. Transfer of Operations. Seller agrees to transfer operations of the Facilities on the Closing Date to Purchaser. Seller agrees that it shall cooperate with Purchaser in the transition of operations of the Facilities.

Section 15.07. Licensing Matters. In connection with survey and licensing matters, Seller and Purchaser agree to cooperate fully with each other in preparing, filing, prosecuting, and taking any other actions with respect to any applications, requests, or actions that are or may be reasonable and necessary to obtain the consent of any governmental instrumentality. In the event of a change of ownership survey by a governmental authority, Seller shall notify Purchaser immediately upon initiation of the survey and upon completion of the survey exit conference of any issues cited and surveyor observations and recommendations.

Section 15.08. Medicare/Medicaid.

(a) On the Closing Date, Seller shall assign to Purchaser the Facilities' Medicare provider numbers and agreement in accordance with and as permitted by any and all applicable laws and orders, rules, requirements and regulations of the United States Department of Health and Human Services' Centers for Medicare & Medicaid Services ("*CMS*") and the State of Alabama subject to any and all other applicable federal or state statutes and regulations regarding the same. Seller and Purchaser acknowledge and agree that Purchaser is not expected to have received a "tie in" notice from CMS with respect to Seller's Medicare provider agreements or new Medicare provider agreements as of the Closing Date. Accordingly, prior to Purchaser's receipt thereof, Seller agrees that Purchaser may begin to bill for its services under Seller's Medicare provider numbers to the extent permitted as aforesaid, pending receipt of the tie in notice/new Medicare provider agreement and the required provider numbers have been received by Purchaser. Further, Seller agrees that Purchaser may begin to bill for its services under Seller's Medicaid provider numbers until such time as a new Medicaid provider agreements and the required provider numbers have been received by Purchaser. Seller shall cooperate with Purchaser in connection with all such billing, and shall provide such tax identification numbers, passwords and other information necessary to permit Purchaser to submit bills under Seller's Medicare and Medicaid provider numbers. Nothing set forth herein shall be deemed to limit in any way Seller's right, title, and interest in its cash and accounts receivable for services rendered prior to the Closing Date, which cash and accounts receivable are property of the Seller and shall be reimbursed or retained, as applicable, in accordance herewith.

(b) Seller and Purchaser understand that reimbursements from Medicare and/or Medicaid for items/services provided/rendered after the Closing Date may continue to be issued to Seller for a period of time. If and to the extent that they include payment for periods on and after the Closing Date and Purchaser is entitled to such payments in accordance with the priority for such remittances as set forth in this Agreement, Seller shall forward to Purchaser all such Medicare/Medicaid reimbursements within five (5) Business Days after receipt until such time as reimbursements are remitted directly to Purchaser by Medicare and Medicaid. Purchaser, in its reasonable discretion, may approve an alternative method of receiving such funds. For the avoidance of doubt, Seller (or Issuer or Lessee, as applicable, if the Receivership Preceding is dismissed or otherwise closed), shall hold such funds in trust for the benefit of Purchaser, and no liens shall attach to such funds, and Seller, Issuer, or Lessee, as applicable, shall have no right of setoff or recoupment with respect to such funds. If Purchaser receives Medicare and/or Medicaid

remittances and Seller is entitled to such payment, Purchaser shall forward to Seller all such Medicare and/or Medicaid reimbursements within five (5) Business Days after receipt.

Section 15.09. Final Cost Reports. Seller file with the appropriate governmental authorities a final cost report for the Facilities within the time frame required by law, and, any additional information which may be requested by The Alabama Medicaid Agency (“*AMA*”) and The United States Department of Health and Human Services (“*DHHS*”) or their contractors, if applicable, with respect to such final cost reports or any prior cost reports. Seller shall use its best efforts to report all bad debt for any service dates prior to the Effective Date on Seller’s cost report. Copies of such final cost reports and any such additional information shall be promptly provided to Purchaser. In the unlikely event Seller fails to timely prepare any cost reports with respect to its operation of the Facilities in accordance with applicable law, Seller hereby appoints Purchaser as Seller’s attorney-in-fact, with the right but not obligation, for purposes of preparing and filing any such cost reports with the *AMA* and *DHHS*. Seller hereby releases and holds Purchaser harmless with respect to any such cost reports prepared by Purchaser while acting as Seller’s attorney-in-fact. Any and all liability or expense related to such final cost reports or any prior cost reports shall remain the sole and exclusive obligation and responsibility of Seller, and Seller shall indemnify and hold harmless Purchaser and its members, officers, directors, managers, affiliates, and agents, from and against any and all demands, claims, losses, liabilities, settlements, penalties, fines, obligations, actions, proceedings, judgments, costs and expenses (including attorneys’ fees and expenses) arising out of such cost reports. Except to the extent of a sale of accounts receivable, all positive proceeds from the Seller’s Cost Reports shall remain the property of Seller (and regardless of any sale of accounts receivable, any negative charges from Seller’s Cost Reports shall remain solely the liability and obligation of Seller), and Purchaser shall promptly forward any such proceeds and any related reports or correspondence to the Seller as provided in this Agreement.

Section 15.10. Transfer of Records; Access to Records. As of the Closing Date, Seller shall transfer to Purchaser on an “AS IS” “WHERE IS” basis, the records of all residents in the Facilities (the “*Transferred Facility Records*”), by leaving all such records at the Facilities; provided, however, Seller shall be entitled to keep copies of all Transferred Facility Records as Seller may deem necessary and as permitted by law. Notwithstanding the foregoing:

(a) Seller may remove from the Facilities: (i) the originals of the financial records which relate to its operations at the Facilities, including all accounts payable and accounts receivable records; provided, however, Seller shall leave copies of such records at the Facilities in order to facilitate the provisions of this Agreement; (ii) the originals of any proprietary materials related to Seller’s overall corporate operations; provided, however, Seller shall leave copies of its policies and procedure manuals; (iii) the originals of all performance improvement data; and (iv) legacy records stored either on-site or off-site.

(b) Purchaser will maintain the Transferred Facility Records, to the extent required by all applicable laws, rules and regulations, but in no event less than seven (7) years from the Closing Date with respect to resident records, and not less than six (6) years from the Closing Date with respect to other records (the “*Holding Period*”). Following the

expiration of the Holding Period, Purchaser may dispose of or destroy such books and records in its sole discretion.

(c) Notwithstanding anything to the contrary in this Agreement, the Parties agree that all information, records and data collected or maintained regarding Facilities residents shall be confidential. Purchaser shall preserve the existence and maintain the confidentiality of the resident records transferred to Purchaser pursuant to this Agreement in accordance with federal and state law. Further, Seller agrees to keep all commercial, competitive, and healthcare information about the Purchased Assets confidential following the Closing.

(d) Subsequent to the Closing Date, Purchaser shall allow Seller and its affiliates, agents and representatives, at Seller's sole cost and expense, to have reasonable access during regular business hours upon reasonable prior written notice and to make copies of, the Transferred Facility Records, to the extent reasonably necessary to enable Seller to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns, to verify accounts receivable collections due Seller, and to perform similar matters.

Section 15.11. Patient Funds; Advance Payments.

(a) Concurrent with the execution and delivery of this Agreement and subject to adjustment within thirty (30) days following the Closing Date, Seller shall provide Purchaser with an accounting of all funds belonging to residents at the Facilities, that are held by Seller in a custodial capacity, if any, and an accounting of all advance payments received by it pertaining to residents at the Facilities, if any (collectively, the “*Funds/Payments*”). Such accounting shall set forth the names of the residents for whom such Funds/Payments are held and the amounts held on behalf of each resident.

(b) If there are Funds/Payments to be transferred to Purchaser, then concurrent with the Closing of this Agreement, and subject to adjustment within thirty (30) days following the Closing Date, Seller shall, at the election of Purchaser, either (i) transfer the Funds/Payments to a bank account designated in writing by Purchaser or (ii) retitle all accounts of Seller in which the Funds/Payments are deposited at the time of the Closing. Subject to completion of the transfer or retitling described in the immediately preceding sentence, Purchaser hereby acknowledges receipt of and expressly assumes all of Seller's financial and custodial obligations arising subsequent to the Closing with respect to the Funds/Payments received by Purchaser, (solely to the extent of the Funds/Payments received), it being the intent and purpose of this provision that, as of the Closing Date, Purchaser will use and apply such Funds/Payments to the uses for which they are intended and be accountable to the residents with respect thereto.

(c) As of the Closing Date, Purchaser shall assume, on an “AS IS” “WHERE IS” basis, custody of all trust accounts for residents transferred by Seller to Purchaser and agrees to treat such accounts in the fiduciary capacity required by law. Purchaser agrees to indemnify, protect, defend, and hold Seller harmless from all liabilities, claims, and demands that may be asserted against Seller in connection with Purchaser's custody of such accounts from and after the Closing Date, solely to the extent of such funds actually received. Seller agrees to indemnify,

protect, defend, and hold Purchaser harmless from all liabilities, claims, and demands that may be asserted against Purchaser in connection with Seller's custody of such accounts on or prior to the Closing Date.

(d) To the extent that the option to purchase Accounts Receivable under Section 8.01(i) is not exercised and Seller retains its Accounts Receivable, Seller will advise Purchaser of any attempts to collect such Accounts Receivables against any current resident or current patient of the Purchased Assets by providing a list at Closing, and will not initiate any collection litigation against a current resident or current patient without the written prior consent of Purchaser, such consent not to be unreasonably withheld; provided, that nothing herein is intended to prohibit collection action against a third party payor or insurance company. Purchaser, at no cost to itself, will reasonably cooperate at Seller's request in Seller's efforts to collect Seller's receivables. Post-Closing funds received directly from a current resident or a current patient (and not from a third party payor or insurance company) within 45 days of Closing will be applied first to the current resident's or current patient's pre-Closing balances and remitted to Seller within five (5) Business Days of receipt.

Section 15.12. Employees.

(a) As of the Closing Date, Seller shall terminate the employment of all employees providing services at the Facilities (the "***Current Employees***"). No more than five (5) days prior to Closing, unless otherwise agreed to by Seller and Purchaser, Seller shall provide Purchaser with (i) a list of the Current Employees, which list shall include the current base salaries of the Current Employees, and (ii) a detailed calculation of the Seller's Employment Expenses (as defined in this Agreement). Purchaser shall not be bound by or assume any employment contracts to which Seller may be a party. Other than as consistent with past practice, Seller shall not make any material changes in the compensation or benefits of the employees at the Facilities on or prior to the Closing Date.

(b) Purchaser shall determine, in its sole discretion, which of the Current Employees shall be offered employment with Purchaser, pursuant to employment terms acceptable to Purchaser (such employees, the "***Retained Employees***"); provided, however, Purchaser shall offer employment to such members of the Current Employees on such terms and conditions that are sufficient to not give rise to liability under the Worker Adjustment and Retraining Notification Act of 1988 (the "***WARN Act***"). Nothing in this paragraph, however, shall create any right in favor of any person not a party to this Agreement, including without limitation, the Current Employees, or constitute an employment agreement or condition of employment for any employee of Seller or any affiliate of Seller who is a Current Employee.

(c) On the Closing Date, Purchaser shall be provided with a payment (the "***Employee Accrual Payment***"), in cash or immediately available funds, of an amount equal to all of the accrued but unpaid vacation, holiday, sick pay, and severance obligations, and all other accrued but unpaid payroll obligations, including but not limited to all FICA, withholding, unemployment, workmen's compensation, or other employment related taxes, as well as any insurance premium obligations of Seller with respect to the Current Employees, if applicable, that have accrued, been earned, and are unpaid as of the day on or prior to the Closing Date ("***Seller's Employment Expenses***"). Purchaser shall

not be liable on account of any and all other pre-closing payroll liabilities and obligations with regard to any of the Current Employees and with regard to the Retained Employees, any and all other liabilities and obligations that shall have accrued on or prior to the Closing Date, all of which shall be satisfied by Seller.

ARTICLE XVI. MISCELLANEOUS

Section 16.01. Termination and Pre-Closing Remedies.

(a). Notwithstanding anything in this Agreement or elsewhere to the contrary, this Agreement may be terminated by written notice of termination at any time: (i) by a notice of termination from Purchaser pursuant to Article VI before the end of the Inspection Period, or pursuant to the rights set out in Section 1.08 or Section 1.09 on the times set out therefore in this Agreement; (ii) before the Closing Date by mutual consent of Seller and Purchaser; or (iii) before the Closing Date by a party as a result of the other party's failure to meet the conditions precedent to Closing contained in this Agreement in a timely manner, but only if the defaulting party fails to meet such condition within ten (10) days after receipt of written notice of such failure from the non-defaulting party delivered in accordance with Section 16.05 of this Agreement.

(b). Purchaser or Seller may terminate this Agreement if the Court or any other court of competent jurisdiction shall have issued an order, decree, or ruling or taken any other action enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling, or other action shall have become final and nonappealable.

(c). Purchaser or Seller may terminate this Agreement, if the Bidding Procedures Order is not entered by the Court within sixty (60) days after the Effective Date; provided, however, neither Purchaser nor Seller may use this provision to terminate this Agreement after entry of the Bidding Procedures Order.

(d). Purchaser or Seller may terminate this Agreement, if the Stalking Horse Auction has not occurred within ninety (90) days of the Effective Date; provided, however, neither Purchaser nor Seller may use this provision to terminate this Agreement after the Stalking Horse Auction.

(e). Purchaser or Seller may terminate this Agreement if the Sale Order is not entered by the Court within one hundred and twenty (100) days after the Effective Date, or has not become a Final Order within forty five (45) days after entry of the Sale Order; provided, however, neither Purchaser nor Seller may use this provision to terminate this Agreement after entry of Sale Order, in the first case, or the Sale Order becoming a Final Order, in the second case.

Termination shall be the sole remedy of the parties for any pre-Closing breaches. In the event of a breach by Purchaser, Purchaser's maximum liability shall be the Deposit. The Parties agree that it would be difficult to ascertain the amount of Seller's actual damages in the event of Purchaser's breach, and that they have therefore negotiated and agreed upon the Deposit as liquidated damages.

For the avoidance of doubt, any continuing indemnity obligation of Purchaser under Section 6.01 shall survive any termination.

Section 16.02. Expenses. Except as otherwise provided in this Agreement, each party to this Agreement shall pay its own costs and expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document, or instrument contemplated by this Agreement and the consummation of the transactions contemplated by this Agreement.

Section 16.03. Contents of Agreement; Parties in Interest. This Agreement sets forth the entire understanding of the Parties with respect to the transactions contemplated by this Agreement. This Agreement shall not be amended or modified except by written instrument duly executed by each of the Parties. Any and all previous agreements and understandings between or among the Parties regarding the subject matter of this Agreement, whether written or oral, are superseded by this Agreement and of no further or other effect.

Section 16.04. Assignment; Binding Effect. If Purchaser is the Successful Bidder, the Successful Bid may be assigned to a special purpose entity created by Purchaser; provided, however, the special purpose entity to which this Agreement is to be assigned must first agree in writing to be bound by all of the terms, conditions, and provisions contained in this Agreement applicable to Purchaser; provided, further that Purchaser shall remain primarily liable for its obligations under this Agreement. Notwithstanding the foregoing, no assignee may be another bidder on the Assets or on any assets of the Receivership Estate, and the assignment may not be made for the purpose of allowing two or more parties to collude in the purchase of the Purchased Assets. Further, no assignee may be a Defendant nor an affiliate, control person, member of or related to any Defendant. Subject to the foregoing, all of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns of Seller and Purchaser.

Section 16.05. Notice. Any and all notices given in connection with this Agreement shall be deemed adequately given only if in writing and personally delivered, sent by first class registered or certified mail, postage prepaid, return receipt requested, sent by overnight national courier service, sent by email, provided a hard copy is mailed on that day to the party for whom such notices are intended or sent by other means at least as fast and reliable as first class mail. A written notice shall be deemed to have been given to the recipient party on the earlier of (a) the date it shall be delivered to the address required by this Agreement, (b) the date of delivery shall have been refused at the address required by this Agreement, (c) with respect to notices sent by mail, the date as of which the postal service shall have indicated that the notice has been delivered to the address required by this Agreement, (d) with respect to an email, the date on which the email is sent. Any and all notices referred to in this Agreement, or which any party desires to give the other, shall be addressed as follows:

To Bidder: Southern Skilled Acquisitions I, LLC
 c/o Med Healthcare Partners LLC
 1800 Rockaway Avenue
 Hewlett, NY 11557
 Attn: Mordy Lahasky
 Email: mordyeph@gmail.com

With a copy to (which shall not constitute notice):

Polsinelli, P.C.
401 Commerce Street, Suite 900
Nashville, Tennessee 37219
Attention: Jeremy Johnson, Esq.; Bobby Guy, Esq.
Email: jjohnson@polsinelli.com; bguy@polsinelli.com

To Seller: Healthcare Management Partners, LLC
Attn: Derek A. Pierce, as Receiver
1033 Demonbreun Street, Ste. 300
Nashville, Tennessee 37203
Email: dpierce@hcmpllc.com

With a copy to (which shall not constitute notice):

Waller Lansden Dortch & Davis, LLP
Attn: Ryan K. Cochran
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Email: ryan.cochran@wallerlaw.com

- and -

Balch & Bingham
Attn: Walter E. Jones
30 Ivan Allen, Jr. Blvd., N.W., Suite 700
Atlanta, Georgia 30308
Email: wjones@balch.com

Section 16.06. Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Alabama without regard to its conflicts of law principles.

Section 16.07. Jurisdiction; Venue. Any legal action or proceeding relating to any disputes between the Parties to this Agreement arising under or relating to this Agreement or with respect to its subject matter shall be brought exclusively in the Court or if such action or proceeding may not be brought in such Court for jurisdictional purposes, exclusively in the federal or state court for the county where the Facilities are located. By execution and delivery of this Agreement, each of the Parties accepts for itself and its affiliates, generally and unconditionally, the jurisdiction of the Court. Each of the Parties irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non-conveniens, that such party may now or later have to the bringing of any such action or proceeding in the Court.

Section 16.08. Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT HEREBY (A) IRREVOCABLY AND UNCONDITIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM OF ANY TYPE AS TO ANY MATTER ARISING DIRECTLY OR INDIRECTLY OUT OF OR WITH RESPECT TO THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT AND (B) AGREE THAT ANY PARTY MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY, AND BARGAINED FOR AGREEMENT BETWEEN THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY, AND THAT ANY DISPUTE OR CONTROVERSY OF ANY KIND WHATSOEVER BETWEEN THEM SHALL INSTEAD BE TRIED IN THE COURT BY A JUDGE SITTING WITHOUT A JURY.

Section 16.09. Schedules and Exhibits. All Schedules and Exhibits referred to in this Agreement are intended to be and are specifically made a part of this Agreement. The parties acknowledge that the Schedules and Exhibits are not complete as of the Effective Date, and except as otherwise provided in this Agreement (such as the updated employee schedule under Section 15.12 to be provided five days before Closing), Schedules to be provided by Seller are anticipated to be provided twenty (20) days after the Effective Date (the “*Schedules Date*”). Following the Schedules Date, no material updates or modifications to any such Schedules (that are adverse to Purchaser) shall affect Purchaser’s rights hereunder. The parties agree that any Schedules to be provided by Purchaser, such as Schedule 1.05 regarding Assumed Liabilities, shall be provided at least five (5) Business Days prior to Closing.

Section 16.10. Severability. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions of this Agreement, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 16.11. Entire Agreement. This Agreement, including the Schedules and Exhibits to this Agreement, constitutes the entire agreement between the Parties with regard to the subject matter of this Agreement and the transactions contemplated by this Agreement. No other understanding, inducement, representation, or agreement shall be of any force or effect except as otherwise specifically provided for or referred to in this Agreement. This Agreement may not be altered or amended except in writing signed by all Parties.

Section 16.12. Waiver. The failure of any Party to insist upon strict compliance with any of the provisions of this Agreement by another Party shall not constitute a waiver of such Party’s right to demand exact compliance with said provisions. Any such waiver shall be in writing and signed by the Party against whom it is sought to be enforced.

Section 16.13. Execution by Counterpart Originals. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

Section 16.14. No Survival. All warranties, representations, obligations, duties, undertakings, and agreements made in this Agreement by any Party shall be true and correct as of

the date of Closing and, to the extent not satisfied at Closing, shall not survive Closing; provided that obligations for further assurances and matters expressly intended to be handled post-Closing (such as the 45 day proration) shall survive (but shall not be a basis to require that the receivership remain open for any significant time).

Section 16.15. Business Days. If any date in this Agreement set forth for the performance of any obligations of Seller or Purchaser or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday, or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term “legal holiday” means any state or Federal holiday for which financial institutions or post offices are generally closed in the state where the Facilities are located. When the period of time prescribed or allowed is delineated in Business Days, intermediate Saturdays, Sundays, and legal holidays shall be excluded in the computation.

Section 16.16. Distribution of Sales Proceeds to Creditors. Purchaser acknowledges that following the Closing, Seller will seek court approval of the distribution of the sale proceeds to creditors including the holders of the Knollwood Bonds, AL Bonds, and IL Bonds, and that the Purchaser’s allocation of the Purchase Price amongst the Purchased Assets for purposes of section 1060 of the Internal Revenue Code shall not be binding in the subsequent litigation proceedings related to the disbursement of sale proceeds to creditors including holders of the Knollwood Bonds, AL Bonds, and IL Bonds.

Section 16.17. No Personal Liability of Seller; Limitations on Seller’s Representations and Warranties. The Purchaser expressly acknowledges and agrees that:

(a). Seller enters into this Agreement solely in its capacity as court appointed receiver under the Receivership Order and pursuant to and in accordance with the Bidding Procedures Order and Sale Order (each when and if approved by the Court) and Seller, and its officers, directors, members, and agents, shall have no corporate, company, or personal liability for any cause of action arising out of or related to this Agreement.

(b). In the event of an actual or claimed breach of this Agreement by Seller, recourse may be had only against the assets of the Receivership Estate. No corporate, company, or personal assets of Seller, or its officers, directors, members, or agents, may be subject to claim or levy.

[Signature Pages Follow]

[Signature Page of Seller to Asset Purchase Agreement]

SELLER:

**DEREK A. PIERCE, ACTING SOLELY IN HIS
CAPACITY AS COURT-APPOINTED
RECEIVER FOR THE RECEIVERSHIP
ESTATES:**

By: 
Name: Derek A. Pierce

[Signature Page of Bidder to Asset Purchase Agreement]

BIDDER:

SOUTHERN SKILLED ACQUISITIONS I, LLC:

By:  _____

Name: Ephram Lahasky

Its: Authorized Representative

EXHIBIT A
PROPERTY DESCRIPTION

A. Legal description of the Facility land:

EXHIBIT B
BILL OF SALE

BILL OF SALE

THIS BILL OF SALE (this “*Bill of Sale*”), dated as of [REDACTED] [REDACTED], 2022, by and between the following parties:

ASSIGNOR: Derek A. Pierce, acting solely in its capacity as court-appointed receiver

ASSIGNEE: [REDACTED]

This Bill of Sale is being delivered pursuant to that certain Asset Purchase Agreement dated as of [REDACTED] [REDACTED], 2022, by and between Assignor and Assignee (the “*Purchase Agreement*”), and is subject to all of the terms and conditions thereof. Any capitalized terms used but not otherwise defined herein shall have the meanings specified in the Purchase Agreement.

1. Conveyance. In consideration of receipt of payment of the Purchase Price as detailed in the Purchase Agreement, and other good and valuable consideration, the receipt, adequacy and sufficiency of which Assignor hereby acknowledges, Assignor hereby sells, conveys, assigns, transfers, and delivers unto Assignee, its successors and assigns, all of its right, title, and interest in the Personal Property located on, arising from, or otherwise related to the real property referred to as (a) that certain 71-unit skilled nursing and 24-unit specialty care facility located at 3151-A Knollwood Dr., Mobile, Alabama, 36693, owned by the Medical Clinic Board of the City of Mobile (Second) (the “*Issuer*”) and leased to Gordon Jensen Health Care Association, Inc. (the “*Knollwood Lessee*”), and (b) that certain (i) 118-unit assisted living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693, and (ii) 88-unit independent living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693, each owned by the Issuer and leased to Bama Oaks Retirement, LLC (the “*AL/IL Lessee*,” and together with the Knollwood Lessee, the “*Lessee*”) (collectively, the “*Subject Properties*”), to have and to hold forever, except for that property listed on Exhibit A. This conveyance shall be effective as of 12:00:01 AM (prevailing Central time) as of the [REDACTED] day of [REDACTED], 2022 (the “*Effective Time*”).

2. Appointment. Assignor hereby constitutes and appoints Assignee its true and lawful attorney, with full power of substitution, in the name of Assignor or otherwise, and on behalf and for the benefit of Assignee: (a) to institute and prosecute, from time to time, in the name of Assignor or otherwise, any and all actions, suits and proceedings which Assignee deems proper to assert or enforce any claim, title, right, or actions, suits or proceedings in respect to the Subject Properties; and (b) to execute such other documents and take such other action as may be necessary from time to time to carry out this Bill of Sale. Assignor hereby declares that the foregoing powers are coupled with an interest and shall be irrevocable.

3. Cooperation. Assignor covenants and agrees that it will at any time and from time to time, at the sole expense of Assignee, do, execute, acknowledge and deliver any and all other acts, deeds, assignments, transfers, certificates of title, conveyances, powers of attorney or other instruments that Assignee reasonably deems necessary or proper to carry out the assignment and conveyance intended to be made hereunder.

5. No Modification of Purchase Agreement. This Assignment is delivered pursuant to the Purchase Agreement and is subject in all respects to the provisions thereof and is not meant to alter, enlarge or otherwise modify the provisions of the Purchase Agreement. Without limiting the

generality of the foregoing, all representations and warranties made by Assignor in the Purchase Agreement, in this Bill of Sale, or in any agreement executed in connection with the transactions contemplated therein have been made by Assignor in sole and exclusive reliance upon the terms and conditions of the Receivership Order and Sale Order, and Assignee shall have no recourse against Assignor in the event that any of Assignor's representations and warranties prove to have been materially false or misleading when made; provided, however, that (i) Assignee shall be entitled to bring claims against the Receivership Estate; (ii) Assignee and its successors and assigns shall be entitled to rely upon this Bill of Sale, the Receiver's Deed, and the Sale Order as evidence of title to the Subject Properties and shall be entitled, as the sole and exclusive remedy in the event that any of Assignor's representations and warranties prove to have been materially false or misleading when made, to seek such relief from the Court as shall be proper to enforce Assignee's claim of title and ownership to the Subject Properties.

6. Binding Effect. This Bill of Sale shall be binding upon and inure to the benefit of and be enforceable by the successors and permitted assigns of Assignor and Assignee.

7. Law to Govern. This Bill of Sale shall be governed by and interpreted and enforced in accordance with the laws of the State of Alabama.

[Signature pages follows]

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Bill of Sale effective as of the date first above written.

ASSIGNOR:

**DEREK A. PIERCE, ACTING SOLELY IN HIS
CAPACITY AS COURT-APPOINTED
RECEIVER**

By: _____
Name: Derek Pierce

ASSIGNEE:

[REDACTED]

By: _____
Name: _____
Title: _____

EXHIBIT A TO BILL OF SALE
EXCLUDED ASSETS

1. [Insert List from Schedule 1.02]

EXHIBIT C
RECEIVER'S DEED

[INSERT]

EXHIBIT D
ASSIGNMENT OF INTANGIBLES

ASSIGNMENT OF INTANGIBLE PROPERTY
AND OTHER RIGHTS

FOR VALUE RECEIVED, Derek Pierce Managing Partner of Healthcare Management Partners, LLC, acting solely in its capacity as court-appointed receiver (“*Assignor*”) for that certain (1) 71-unit skilled nursing and 24-unit specialty care facility located at 3151-A Knollwood Dr., Mobile, Alabama, 36693, owned by the Medical Clinic Board of the City of Mobile (Second) (the “*Issuer*”) and leased to Gordon Jensen Health Care Association, Inc. (the “*Knollwood Lessee*”) and (2) that certain (i) 118-unit assisted living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693, and (ii) 88-unit independent living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693, each owned by the Issuer and leased to Bama Oaks Retirement, LLC (the “*AL/IL Lessee*,” and together with the Knollwood Lessee, the “*Lessee*”, together with the Issuer, the “*Obligors*”), hereby conveys, assigns, transfers, and sets over onto [REDACTED], a [REDACTED] (“*Assignee*”), all of Assignor’s and Obligor’s right, title and interest in the Books and Records, Contact Information and the Intangible Property. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in that certain Asset Purchase Agreement dated as of [REDACTED], [REDACTED], 2022, by and between Assignor and Assignee.

This Assignment of Intangible Property and Other Rights, (this “*Assignment*”) shall be binding upon and shall inure to the benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment on this [REDACTED] day of [REDACTED], 2022, and shall be effective as of said date.

Derek A. Pierce, acting solely in his capacity
as court-appointed receiver

Name: Derek Pierce

EXHIBIT E
ASSIGNMENT OF CONTRACTS AND LEASES

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES

Derek A. Pierce of Healthcare Management Partners, LLC, acting, solely in his capacity as court-appointed receiver (the “*Assignor*”) for that certain (1) 71-unit skilled nursing and 24-unit specialty care facility located at 3151-A Knollwood Dr., Mobile, Alabama, 36693, owned by the Medical Clinic Board of the City of Mobile (Second) (the “*Issuer*”) and leased to Gordon Jensen Health Care Association, Inc. (the “*Knollwood Lessee*”) and (2) that certain (i) 118-unit assisted living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693, and (ii) 88-unit independent living facility located at 3151-B Knollwood Dr., Mobile, Alabama, 36693, each owned by the Issuer and leased to Bama Oaks Retirement, LLC (the “*AL/IL Lessee*,” and together with the Knollwood Lessee, the “*Lessee*”, together with the Issuer, the “*Obligors*”), in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby assigns, transfers, sets over and conveys to [REDACTED], a [REDACTED] (“*Assignee*”), as Assignee hereby accepts, all of Assignor’s and Obligor’s right, title and interest in and to: (i) those leases and guarantees thereof set forth on **Exhibit A** attached hereto and made a part hereof, including, but not limited to the Residency Agreements (collectively, the “*Leases*”), together with any security deposits tendered to Assignor under the Leases; and (ii) those service contracts and other agreements listed on **Exhibit B** attached hereto and made a part hereof (collectively, the “*Contracts*”), all pertaining to the real property and improvements thereon.

Assignor represents and warrants to Assignee that:

- (a). Obligors are the sole owner of: (i) all of the landlord’s right, title, and interest in and to the Leases; and (ii) all of the owner’s right, title, and interest in and to the Contracts; and
- (b). No part of the rents reserved in the Leases has been previously assigned and no part of such rents, for any period subsequent to the date hereof, has been collected in advance of the due date thereof.

All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in that certain Asset Purchase Agreement dated as of [REDACTED] [REDACTED], 2022 by and between Assignor and Assignee.

Assignee hereby accepts the foregoing assignment and assumes and agrees to be bound by and to perform all of the obligations, covenants, terms, and conditions to be performed under the Leases and Contracts to the extent arising on or after the date hereof.

This Assignment of Leases and Contracts (this “*Assignment*”) shall be binding upon and inure to the benefit of Assignor, Assignee, and their respective successors and assigns.

This Assignment may be executed in two or more counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this Assignment. For purposes of this Assignment, any signature transmitted by facsimile or e-mail shall be considered to have the same legal and binding effect as any original signature.

[SIGNATURES PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed as of the date first written above.

ASSIGNOR:

Derek A. Pierce, acting solely in his capacity as court-appointed receiver

Name: Derek Pierce

ASSIGNEE:

[REDACTED], a [REDACTED]

Name: _____

Title: _____

EXHIBIT A TO ASSIGNMENT OF CONTRACTS AND LEASES

1. Residency Agreements.
2. Confidentiality Agreements executed in favor of Seller by parties who accessed confidential data of Seller.
3. [To be completed].

EXHIBIT B TO ASSIGNMENT OF LEASES AND CONTRACTS

1. All Utility Services.
2. All Internet, Phone and Television Services
3. All Fire Alarm Services
4. All Elevator Service Contracts
5. [Service Agreements].
6. [To be completed].

EXHIBIT F
ESCROW AGREEMENT



FIDELITY NATIONAL TITLE INSURANCE COMPANY

ESCROW AGREEMENT

This Escrow Agreement made effective this 31st day of January, 2022, by and among FIDELITY NATIONAL TITLE INSURANCE COMPANY, hereinafter known as Escrow Agent, Southern Skilled Acquisitions I, LLC, hereinafter known as Purchaser, and Derek Pierce, Managing Partner of Healthcare Management Partners, LLC, acting solely in his capacity as court-appointed receiver, hereinafter known as Seller.

Purchaser has tendered to Escrow Agent a check/wire in the amount of \$250,000 (“the Escrow Fund”) pursuant to a sales contract by and between Seller and Purchaser dated effective January 31, 2022, in connection with the sale of certain property located in Mobile, Alabama. In consideration of the acceptance of this tender, Escrow Agent, Purchaser, and Seller agree as follows:

1. **Deposit of Funds:** All checks, money orders or drafts will be processed for collection in the normal course of business. Escrow Agent may commingle funds received by it in escrow with funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association, or other financial services entity, including any affiliate of Escrow Agent. It is understood that Escrow Agent shall be under no obligation, except to the extent expressly instructed in writing, to invest the Escrow Fund deposited with it on behalf of any depositor, nor shall it be accountable for any earnings or incidental benefit attributable to the Escrow Fund which may be received by Escrow Agent while it holds such funds. The Escrow Fund held by Escrow Agent shall be subject to the provisions of applicable state statutes governing unclaimed property.

The Seller and Purchaser acknowledge that Escrow Agent’s duties are solely limited to the holding and disbursement of the Escrow Fund as set forth herein. Escrow Agent shall have no obligations, responsibilities or duties, fiduciary or otherwise, under this Escrow Agreement and shall incur no liability to either Seller or Purchaser pursuant to the terms hereof, unless and until the first deposit to the Escrow Fund is made by or on behalf of Purchaser.

Furthermore, it is understood and agreed that the Escrow Agent is acting as a stakeholder only with respect to the Escrow Fund. It is agreed that the duties of the Escrow Agent are only as herein specifically provided, and are purely ministerial in nature.

2. **Notice of Opportunity:** Seller and Purchaser have the opportunity to earn interest on the Escrow Fund by requesting in writing that Escrow Agent set up an interest-bearing account under this Agreement. Receipt of a fully executed IRS Form W-9 is required prior to transfer of Escrow Fund to interest bearing account. Escrow Agent is not responsible for levies by taxing authorities based upon the taxpayer identification number used to establish the interest bearing account. Interest earned is dependent upon the amount of the deposit, the time of deposit and the prevailing interest rate at the time.
3. **Release of Funds:** The Escrow Agent shall hold the Escrow Fund when received by it in accordance with the terms of this Agreement. The Escrow Fund shall be paid in accordance with written instructions jointly executed by Seller and Purchaser. Signed approval by Seller and Purchaser of

settlement statements or other accounting of funds shall constitute the authority to Escrow Agent to disburse funds as shown thereon.

In the event of any disagreement between Seller and Purchaser resulting in conflicting instructions to, or adverse claims or demands upon the Escrow Agent with respect to the release of the Escrow Fund, the Escrow Agent shall refuse to comply with any such instruction, claim or demand so long as such disagreement shall continue, and in so refusing the Escrow Agent shall not release the Escrow Fund or make any other disposition of the Escrow Account, except Escrow Agent may interplead the Escrow Fund into a court of its choosing. The Escrow Agent shall not be or become liable in any way to Purchaser or Seller for its failure or refusal to comply with any such conflicting instructions or adverse claims or demands, and it shall be entitled to continue so to refrain from acting until such conflicting or adverse demands (a) shall have been adjusted by agreement and Escrow Agent shall have been notified in writing thereof by Purchaser and Seller or (b) shall have finally been determined by a court having jurisdiction over the Escrow Fund.

Any deposit to the Escrow Fund made on behalf of Purchaser shall be deemed Purchaser funds under this agreement. In the event Depositor confirms to Escrow Agent it owns 100% of the membership interests in Purchaser then in connection with any release or application of the Escrow Fund, Escrow Agent will accept and follow the instructions of either Depositor or Purchaser. In the event of conflicting instructions, the instructions of Purchaser will control. Any payment of Escrow Funds in accordance with instructions of Depositor is without liability or recourse upon Escrow Agent.

4. **Limitations of Liability:** Escrow Agent shall not be liable for any loss or damage resulting from the following:
- a) The effect of the transaction underlying this Escrow Agreement, including without limitation any defect in the title to the real estate, any failure or delay in the surrender of possession of the property, the rights or obligations of any party in possession of the property, the financial status or insolvency of any other party, and/or any misrepresentations of fact made by any other party;
 - b) The legal sufficiency of the document(s) purporting to transfer or otherwise encumber title to the real estate;
 - c) The default, error, act or failure to act by any other party to the transaction underlying this Escrow Agreement;
 - d) Any loss, loss of value or impairment of the Escrow Fund while in the course of collection or while on deposit in a depository institution if such loss, loss of value or impairment results from failure, insolvency or suspension of a depository institution;
 - e) Any delay in the electronic wire transfer of funds;
 - f) Any defects or conditions of title to any property that is the subject of the transaction underlying this Escrow Agreement provided, however, that this limitation of liability shall not affect the liability of Fidelity National Title Insurance Company under any title insurance policy which it has issued or may issue. NOTE: No title insurance liability is created by this Escrow Agreement;
 - g) The expiration of any time limit or other consequences of delay, absent receipt by the Escrow Agent of a properly executed escrow instruction instructing Escrow Agent to comply with said time limit;
 - h) Escrow Agent's compliance with any legal process including, but not limited to, subpoena, writs, orders, judgments and decrees of any court whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

Furthermore, in its capacity as Escrow Agent, Escrow Agent shall not be responsible for the genuineness or validity of any security, instrument, document or item deposited with it, and shall have no responsibility other than to faithfully follow the instructions contained herein and as jointly provided by Seller and Purchaser.

Escrow Agent is fully protected in acting in accordance with any written instrument given to it hereunder by any of the parties hereto and believed by Escrow Agent to have been signed by the proper person(s). Escrow Agent may assume that any person purporting to give any notice(s) hereunder and representing that they have authority to do so have been duly authorized to do so.

The Seller and Purchaser each release the Escrow Agent from any act done or omitted to be done by the Escrow Agent in good faith in the performance of its duties hereunder.

The terms of this section shall not be construed to limit Escrow Agent's liability for its own gross negligence or willful misconduct.

5. **Accounting:** Escrow Agent shall account to the parties for all funds received and disbursed hereunder at the time of final settlement and full disbursement of the Escrow Fund. Escrow Agent shall not be liable for the accuracy of information furnished to it by other persons in the normal course of business, or the failure to adjust items not designated in writing. Adjustment items shall be prorated on the basis of a calendar year and a thirty-day month. Escrow Agent shall account for adjustments, credits and charges of expense items according to the custom and usage of the community. Upon disbursement of the Escrow Fund, Escrow Agent shall be released and discharged of its obligations hereunder.
6. **Fees, Charges and/or Other Expenses:** Escrow Agent will be paid a fee of \$__0__ for its services hereunder. Additionally, in the event that the Escrow Fund is not fully disbursed within 12 months from the date of this Agreement, Escrow Agent will be paid an additional fee of \$__0__ per month. All fees will be charged against the Escrow Fund and will be deducted at the time of final disbursement. Additional amounts which may become due for any reason shall be promptly paid to Escrow Agent by the party owing such amounts.
7. **Applicability:** The conditions of this Escrow Agreement shall apply to and be for the benefit of agents, if any, of the Escrow Agent so employed by it for services in connection with the Agreement.
8. **Attorneys' Fees:** In the event that litigation is initiated relating to this Escrow Agreement, or the underlying transaction, the parties hereto agree that Escrow Agent shall be held harmless from any and all attorneys' fees, court costs and expenses, unless the litigation arises as a result of Escrow Agent's gross negligence or willful misconduct. Purchaser and Seller agree to indemnify Escrow Agent, as set forth in Paragraph 9 below, for all such attorneys' fees, court costs and expenses. To the extent that Escrow Agent holds an Escrow Fund under the terms of this Agreement, the parties agree that the Escrow Agent may charge the Escrow Fund with any such attorneys' fees, court costs and expenses as they are incurred by the Escrow Agent.
9. **Indemnification:** The Seller and the Purchaser shall jointly and severally indemnify, defend (with counsel acceptable to the Escrow Agent) and save harmless the Escrow Agent from and against all loss, cost, claim, liability, damage and expense, including reasonable attorneys' fees and disbursements incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by the Escrow Agent in bad faith, in willful disregard of this Escrow Agreement, or involving gross negligence on the part of the Escrow Agent (the "Indemnified Matters"). As between the Seller and Purchaser, the cost of such Indemnified Matters shall be shared equally, except to the extent Seller and Purchaser provide written agreement to Escrow Agent that costs shall be divided otherwise.
10. **Escrow Accommodations:** The parties to this Agreement acknowledge that the maintenance of escrow accounts with some depository institutions may result in Escrow Agent or its affiliates being provided

with bank services, accommodations or other benefits by the depository institution. Escrow Agent or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Agent or its affiliates, and Escrow Agent or its affiliates shall have no obligation to account to the parties to this Agreement for the value of such services, accommodation or other benefits.

- 11. **Controlling Law:** This Escrow Agreement shall be interpreted under the laws of the Commonwealth of Virginia.
- 12. **Entire Agreement:** This Escrow Agreement contains the entire understanding between the parties hereto. No variations, modifications or changes hereof shall be binding upon any party hereto unless set forth in a document duly executed by all parties hereto.

Seller:

By:  _____

Name: Derek Pierce
Title: Court-Appointed Receiver
Address for Notices:

1033 Demonbreun Street, Suite 300

Nashville, TN 37203

Purchaser:

By: _____

Name:
Title:
Address for Notices:

Fidelity National Title Insurance Company

By: _____

Name:
Title:
Address for Notices:
7130 Glen Forest Drive, Suite 300
Richmond, VA 23226

EXHIBIT G
BIDDING PROCEDURES

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

BOKF, N.A., as indenture trustee,

Plaintiff,

v.

BAMA OAKS RETIREMENT, LLC; SAINT
SIMONS HEALTH CARE, LLC; and THE
MEDICAL CLINIC BOARD OF THE CITY
OF MOBILE (SECOND),

Defendants.

Case No. 21-00028-KD-B

BOKF, N.A., as indenture trustee,

Plaintiff,

v.

BAMA OAKS RETIREMENT, LLC; SAINT
SIMONS HEALTH CARE, LLC; and THE
MEDICAL CLINIC BOARD OF THE CITY
OF MOBILE (SECOND),

Defendants.

Case No. 21-00029-KD-B

BOKF, N.A., as indenture trustee,

Plaintiff,

v.

GORDON JENSEN HEALTH CARE
ASSOCIATION, INC.; KNOLLWOOD NH,
LLC; CONQUEST HEALTH SYSTEMS,
LLC; MARSH POINTE MANAGEMENT,
LLC; and MEDICAL CLINIC BOARD OF
THE CITY OF MOBILE (SECOND),

Defendants.

Case No. 21-00031-KD-B

I. Notice of Public Auction

- a. The Receiver shall publish a Notice of Receiver Sale with the *Press Register* once a week for at least four (4) weeks prior to the proposed Auction. The Receiver shall also contact and provide a copy of the Notice of Receiver Sale to all of the persons or entities that the Receiver has identified as (a) having an interest in the Proposed Purchased Assets or (b) potentially interested in acquiring the Proposed Purchased Assets. In addition, within three (3) business days following entry of the Bidding Procedures Order, the Receiver will cause the Indenture Trustees to publish the Bidding Procedures Order at EMMA (the Electronic Municipal Market Access).

II. Access to Diligence Materials

- a. To participate in the bidding process and to receive access to due diligence (the “*Diligence Materials*”), a party (other than the Proposed Stalking Horse) must submit to the Receiver an executed confidentiality and non-disclosure agreement in form and substance satisfactory to the Receiver and evidence demonstrating the party’s financial and regulatory capability with respect to an Alternative Transaction, as determined by the Receiver. For the avoidance of doubt, no confidentiality and non-disclosure agreement shall preclude the Receiver from providing the Indenture Trustee with information regarding any party to the process.
- b. The Receiver has established an electronic data room to provide all interested parties with access to Diligence Materials. A party (other than the Proposed Stalking Horse) who qualifies for access to Diligence Materials shall be a “*Preliminary Interested Party*.” All due diligence requests must be directed to the Receiver’s counsel, c/o Blake D. Roth and Ryan K. Cochran, Waller, Lansden, Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, Tennessee 37219, 615.244.6804 (facsimile), blake.roth@wallerlaw.com; ryan.cochran@wallerlaw.com.

III. Due Diligence From Bidders

- a. Each Preliminary Interested Party and Qualified Bidder (as defined below) shall comply with all reasonable requests for additional information and due diligence access by the Receiver or its advisors regarding such Bidder (as defined below) and its contemplated transaction. Failure by a Preliminary Interested Party to comply with such reasonable requests for additional information and due diligence access may be a basis for the Receiver to determine that such Preliminary Interested Party is not a Qualified Bidder. Failure by a Qualified Bidder (other than the Proposed Stalking Horse) to comply with requests for additional information and due diligence access may be a basis for the Receiver to determine that a bid made by such Qualified Bidder is not a Qualified Bid. All Bidders must complete their due

diligence by no later than [_____] [_____], 2021 at 5:00 p.m. (prevailing Central time).¹

IV. Auction Qualification Process

To be eligible to participate in the Auction (as defined below), each offer, solicitation, or proposal (each, a “*Bid*”), and each party submitting such a Bid (each, a “*Bidder*”) must be determined by the Receiver to satisfy each of the conditions set forth below. A Bid will not be considered qualified for the Auction if such Bid does not satisfy each of the following conditions:

- (a). Good Faith Deposit. Each Bid must be accompanied by a deposit of cash of \$250,000 (the “*Good Faith Deposit*”) to the account of Waller, Lansden, Dortch & Davis, LLP, attorneys for the Receiver (the “*Escrow Account*”), pursuant to wire instructions to be provided upon request.
- (b). Identification of Bidder and Proposed Transaction. The Bid must: (i) fully disclose the Bidder’s identity and the identity of the entity(ies), if any, which shall be directly or indirectly acquiring a portion of the Proposed Purchased Assets under or in connection with the Bid, as well as any such party’s (ies’) relationship(s) with the Receiver, any other Bidder, and any other party to this lawsuit; and (ii) state with specificity the Proposed Purchased Assets to be acquired and the liabilities the Bidder intends to assume.
- (c). Same or Better Terms. Each Bid must be on terms that, in the Receiver’s commercially reasonable business judgment, after consultation with its financial and legal advisors, are the same or better than the terms of the Initial Bid (as defined in the Stalking Horse APA) taken as a whole.
- (d). Executed Agreement. Each Bid must be based on the Stalking Horse APA and must include executed transaction documents, signed by an authorized representative of such Bidder, pursuant to which the Bidder proposes to effect an Alternative Transaction (the “*Modified Asset Purchase Agreement*”). A Bid shall also include a copy of the Stalking Horse APA marked against the Modified Asset Purchase Agreement to show all changes requested by the Bidder, including those related to purchase price and to remove all provisions that apply only to the Proposed Stalking Horse (e.g., the Bid Protections (as defined below)).
- (e). Bids for Portions of the Proposed Purchased Assets. A Bid must offer to purchase all or a portion of substantially all of the Proposed Purchased Assets; provided, however, that if the Bid is for a portion of the Proposed Purchased Assets, the Receiver shall take into consideration, among other factors, its ability to combine such Bid with another Bid or combination of other Bids for a portion of the Proposed Purchased Assets such that the combination of such Bids results in a combination of binding offers to purchase all of the Proposed Purchased Assets.
- (f). Corporate Authority. A Bid must include written evidence reasonably acceptable to the Receiver demonstrating appropriate corporate authorization to consummate the proposed

¹ This due diligence deadline is applicable solely to potential bidders other than the Proposed Stalking Horse. The Proposed Stalking Horse’s due diligence period is governed solely by the Stalking Horse APA.

Alternative Transaction; provided, however, that, if the Bidder is an entity specially formed for the purpose of effectuating the Alternative Transaction, then the Bidder must furnish written evidence reasonably acceptable to the Receiver of the approval of the Alternative Transaction by the equity holder(s) of such Bidder.

(g). Proof of Financial Ability to Perform. A Bid must include written evidence that the Receiver concludes, in consultation with its advisors, demonstrates that the Bidder has the necessary financial ability or has received funding commitments (or has cash) sufficient in the aggregate to finance and consummate the Alternative Transaction contemplated, including proof of the Good Faith Deposit in cash and one of: (i) evidence of sufficient cash to consummate the Alternative Transaction; (ii) an unconditional lending commitment from a recognized banking institution in the amount of any cash portion of the purchase price of such Bid; (iii) the posting of an unconditional, irrevocable letter of credit from a recognized banking institution issued in favor of the Receiver in the amount of any cash portion of the purchase price of such Bid; or (iv) a guarantee from another person or entity in favor of the Receiver in the amount of any cash portion of the purchase price of such Bid (with such person or entity providing written evidence of its financial wherewithal reasonably acceptable to the Receiver). Such financial information shall include the following:

- i. contact names and numbers of financing sources;
- ii. the Bidder's current financial statements (audited if they exist) or other similar financial information reasonably acceptable to the Receiver; and
- iii. any such other form of financial disclosure or credit-quality support information or enhancement acceptable to the Receiver in his commercially reasonable business judgment demonstrating that such Bidder has the ability to close the Alternative Transaction.

(h). Proof of Regulatory Ability to Perform. A Bid must include evidence that the Receiver concludes, in consultation with its advisors, demonstrates that the Bidder has the ability to obtain all necessary regulatory approvals to consummate the Alternative Transaction. Such evidence may include, among other factors, the following: (i) the numbers and type of licensed senior living homes operated within the State of Alabama, and (ii) a summary of notices of licensure violations or negative certification survey findings received from the state department of health in which such Bidder operates in the last twelve (12) calendar months.

(i). Contingencies. Each Bid (i) may not contain representations and warranties, covenants, or termination rights more onerous than those set forth in the Stalking Horse APA (when considering all such provisions as a whole) and (ii) may not be conditioned on financing or due diligence contingencies of any kind or any other conditions precedent to such Bidder's obligation to purchase the Proposed Purchased Assets subject to such Bid other than as may be included in the Stalking Horse APA.

- (j). Participation in More Than One Auction. Any Bidder or Stalking Horse Purchaser may submit a Bid and be declared a Qualified Bidder with a Qualified Bid for one or all the Facilities whether the auction be conducted separately or simultaneously.
- (k). Bid Deadline. Any competing Bid must be submitted in writing to the Receiver’s counsel, c/o Ryan K. Cochran and Blake D. Roth, Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, Tennessee 37219, 615.244.6804 (facsimile), ryan.cochran@wallerlaw.com; blake.roth@wallerlaw.com, so as to be actually received no later than [] [], 2021 at 5:00 p.m. (prevailing Central time) (the “*Bid Deadline*”).
- (l). Indenture Trustees. Each Indenture Trustee is automatically deemed to be a Qualified Bidder with respect to such Indenture Trustee’s Collateral and each Indenture Trustee’s credit bid rights are automatically deemed to be a Qualified Bid with respect to such Indenture Trustee’s Collateral. Following the conclusion of the Bid Deadline, the Receiver’s counsel shall notify the Indenture Trustees of all Qualified Bids timely and properly submitted. Within two (2) business days, the Indenture Trustees shall submit their credit bids, if any, to the Receiver for submission as a Qualified Bid to be considered at the Auction.
- (m). Irrevocable. A bid must be irrevocable through the Auction, provided, however, that if such Bid is accepted as the Successful Bid, such Bid shall continue to remain irrevocable.

A Bid (or combination of Bids) that is actually received from a Bidder before the Bid Deadline and which meets the above requirements for the Proposed Purchased Assets shall collectively constitute a “*Qualified Bid*” for the Proposed Purchased Assets, and such Bidder (or combination of Bidders) shall constitute a “*Qualified Bidder*” for the Proposed Purchased Assets. The Receiver shall not consider any Bids received after the Bid Deadline. Notwithstanding anything in these Bidding Procedures to the contrary, the Stalking Horse APA submitted by the Proposed Stalking Horse shall be deemed a Qualified Bid, and the Proposed Stalking Horse shall be deemed a Qualified Bidder.

As soon as reasonably practicable prior to (but no later than two (2) days before) the Auction, the Receiver shall notify each Bidder if they have or have not been selected as a Qualified Bidder. In addition, each Qualified Bidder (including the Proposed Stalking Horse) will receive simultaneous notice from the Receiver of all Qualified Bidders.

AUCTION

The Receiver will conduct an auction (the “*Auction*”) to determine the highest or otherwise best Qualified Bid for the Proposed Purchased Assets. This determination shall take into account any factors the Receiver reasonably deems relevant to the value of the Qualified Bid to the Receivership Estate and may include, among other things: (a) the number, type, and nature of any changes to the Stalking Horse APA requested by the Bidder; (b) the extent to which modifications are likely to delay closing of the sale of the Proposed Purchased Assets and the cost to the Receivership Estates of such modifications or delay; (c) the total consideration to be received by

the Receivership Estates; (d) the likelihood of the Bidder's ability to close a transaction and the timing of such closing; and (e) the net benefit to the Receivership Estates, taking into account the Proposed Stalking Horse's rights under these Bidding Procedures and the Stalking Horse APA. Only parties that the Receiver determines in accordance with these Bidding Procedures are Qualified Bidders may participate in the Auction. If the Proposed Stalking Horse is the only Qualified Bidder, the Receiver may, but is not required to, still conduct the Auction with the Proposed Stalking Horse as the only Qualified Bidder; provided, that, if the Receiver determines to not conduct the Auction, the Receiver shall still be authorized to determine that the Proposed Stalking Horse is the Successful Bidder.

PROCEDURES FOR THE AUCTION

The Auction shall be conducted on [_____] [____], 2021 at 10:00 a.m. (**prevailing Central time**) at the United States District Court for the Southern District of Alabama located at 155 St. Joseph Street, Mobile, Alabama 36602 (the "*Courthouse*"). If more than one Qualified Bidder appears at the Auction, the Auction may be adjourned to a nearby location at the discretion of the Receiver; provided, that, upon determining the highest or otherwise best Qualified Bid for the Proposed Purchased Assets, the Auction shall be adjourned and thereafter, concluded at the Courthouse.

Only the Receiver, the Proposed Stalking Horse, any other Qualified Bidder, the Indenture Trustees, any parties to the civil action in which the Receiver is appointed, and their respective representatives and advisors (collectively, the "*Permitted Attendees*") shall be permitted to participate in the Auction, and shall do so only in person unless the Auction is held by videoconference. Only the Proposed Stalking Horse and such other Qualified Bidders will be entitled to make any Bids at the Auction. To enable the Receiver to ensure sufficient space will be available for all participating in or otherwise desiring to attend the Auction, if any party in interest desires to attend the Auction, but not participate in the auction, such interested party shall provide notice to the Receiver's counsel on or before [_____] [____], 2021 at 5:00 p.m. (**prevailing Central time**). The failure to provide Receiver's counsel with notice by such time shall provide grounds for the Receiver to prohibit attendance at the Auction.

I. The Receiver shall conduct the Auction.

The Receiver and its advisors shall direct and preside over the Auction. Subject to its compliance with these Bidding Procedures, the Receiver may conduct the Auction in the manner the Receiver determines will result in the highest, best, or otherwise superior offer for any or all of the Proposed Purchased Assets. At the start of the Auction, the Receiver shall describe the terms of the highest or otherwise best Qualified Bid or Qualified Bids received prior to the Bid Deadline (each such highest or otherwise best Qualified Bid, the "*Baseline Bid*"). The Receiver shall advise each Qualified Bidder (including the Proposed Stalking Horse), in writing, regarding which such Qualified Bid shall be the Baseline Bid as soon as reasonably practicable prior to the commencement of the Auction. Each Qualified Bidder participating in the Auction must confirm that it (a) has not engaged in any collusion with respect to the bidding or sale of any of the Proposed Purchased Assets and (b) has reviewed, understands, and accepts the Bidding Procedures.

The Receiver may sequester participating Qualified Bidders and other Permitted Attendees in separate rooms and meet and negotiate individually with each such Qualified Bidder to obtain the highest and best offer for the Proposed Purchased Assets. In such event, the Receiver may periodically convene a meeting of all participating Qualified Bidders and Permitted Attendees to discuss the status of the Bids, and the Auction shall not be terminated until all participating Qualified Bidders have been advised of the highest and best Bid and given an opportunity to make a higher or better Bid.

II. Overbids.

An “*Overbid*” is any Bid made at the Auction subsequent to the Receiver’s announcement of the Baseline Bid. To submit an Overbid for purposes of the Auction, a Bidder must comply with the following conditions:

- (a). Minimum Overbid Increments. If the Baseline Bid is the Proposed Stalking Horse’s Bid, the initial Overbid shall exceed the Baseline Bid by \$500,000 (the “*Initial Overbid*”). Any successive Bid (or the Initial Overbid if the Baseline Bid is not the Proposed Stalking Horse’s Bid) shall be made in increments valued at not less than \$50,000.00. Additional consideration in excess of the amount set forth in the respective Baseline Bid may include cash or non-cash consideration.
- (b). Bids. All Qualified Bidders attending the Auction (including the Proposed Stalking Horse) shall be permitted to bid at the Auction. For the avoidance of doubt, the Proposed Stalking Horse shall be permitted to include the full amount of the Bid Protections in each bid by the Proposed Stalking Horse for the purposes of comparison to any Overbid in connection with each round of bidding at the Auction.
- (c). Remaining Terms Unchanged. An Overbid at the Auction must comply with the conditions for a Qualified Bid set forth in these Bidding Procedures; provided, however, the Bid Deadline shall not apply. Any Overbid must remain open and binding on the Bidder until and unless the Receiver accepts a higher or otherwise better Overbid.

To the extent not previously provided, the Receiver may request a Bidder submitting an Overbid, submit, as part of its Overbid, additional written evidence (in the form of financial disclosure or credit quality support information or enhancement acceptable to the Receiver in his commercially reasonable business judgment) demonstrating such Bidder’s ability to close the Alternative Transaction contemplated by such Overbid.

- (d). Announcement of Overbids. The Receiver shall announce at the Auction the material terms of each Overbid and the basis for calculating the total consideration offered in each such Overbid.

III. Closing the Auction.

The Auction shall continue until there is only one Qualified Bid for the Proposed Purchased Assets (or combination of Qualified Bids that, in total, encompass all of the Proposed Purchased Assets) that the Receiver determines in its reasonable business judgment, after consultation with its advisors, produces the highest or otherwise best Qualified Bid (such Qualified Bid, the “*Successful Bid*” and such Bidder, the “*Successful Bidder*”).

The Successful Bidder shall submit fully executed sale and transaction documents memorializing the terms of the Successful Bid prior to the conclusion of the Auction.

Promptly following the conclusion of the Auction, the Receiver shall announce the Successful Bidder and Successful Bid and shall file with the court notice of the Successful Bidder and Successful Bid. The Receiver shall not consider any Bids or Overbids after the conclusion of the Auction.

IV. Backup Bidder.

Notwithstanding anything in the Bidding Procedures to the contrary, if an Auction is conducted, the Bidder or Bidders with the next highest or otherwise best Bid or Overbid or combination of Bids or Overbids at the Auction, as determined by the Receiver in the exercise of its reasonable business judgment, after consultation with its advisors, will be designated as the backup bidder (the “*Backup Bidder*”). **In the event that a Bidder or Bidders are identified by the Receiver as the Backup Bidder, such Bidder or Bidders shall be required to serve as the Backup Bidder. The Backup Bidder shall be required to keep its last Bid or Overbid (or combination of Bids or Overbids) (the “*Backup Bid*”) open and irrevocable until the earlier of 4:00 p.m. (prevailing Central time) on the date that is sixty (60) days after the date of the entry of the Sale Order (the “*Outside Backup Date*”) and the closing of the transaction with the Successful Bidder.**

SALE HEARING

The Successful Bid will be subject to court approval by the Court. The hearing to approve the sale of the Proposed Purchased Assets in accordance with these Bidding Procedures is scheduled to take place at the Courthouse on [] [], 2021 at []:[] [] .m. (prevailing Central time) (the “*Sale Hearing*”). The Sale Hearing may be adjourned from time to time without further notice to parties in interest other than by announcement of the adjournment in open court on the date scheduled for such Sale Hearing or a notice filed with the court, as applicable; provided, however, that if the Proposed Stalking Horse is the Successful Bidder, the Sale Hearing shall not be adjourned without the express written consent of the Proposed Stalking Horse and Indenture Trustee.

Following the Sale Hearing, if the Successful Bidder fails to consummate its transaction, the Receiver may designate the Backup Bidder to be the new Successful Bidder, in which case the Backup Bidder will be deemed the Successful Bidder and the Receiver will be authorized, but not required, to consummate the transaction or transactions with the Backup Bidder as the new Successful Bidder without further order of the court. In such case, the defaulting Successful Bidder’s Good Faith Deposit shall be forfeited to the Receiver. The Good Faith Deposit of the

Backup Bidder shall be held by the Receiver until the earlier of Seventy-Two (72) hours after (i) closing of the transaction or transactions with the Successful Bidder (if not the Backup Bidder) and (ii) the Outside Backup Date.

V. Additional Procedures.

The Receiver reserves its rights, in the exercise of its obligations, to modify the Bidding Procedures or impose, at or prior to the Auction, different or additional terms and conditions on the sale subject to the Bidding Procedures; provided, however, that such rules are not inconsistent in any material respect with the Bidding Procedures or the Stalking Horse APA.

VI. Consent to Jurisdiction as Condition to Bidding.

The Stalking Horse Purchaser and all other Qualified Bidders at the Auction shall be deemed to have (a) consented to the jurisdiction of the court presiding over this matter to enter an order or orders, which shall be binding in all respects, in any way related to the Receiver, the Receivership Estate, the Bidding procedures, the Stalking Horse APA, any Modified Purchase Agreement, the Proposed Purchased Assets, the Auction, or the construction and enforcement of any Qualified Bid or related documents and (b) waived any right to a jury trial in connection with any disputes relating to the foregoing.

BID PROTECTIONS

Pursuant to the Bidding Procedures Order, the Stalking Horse Purchaser is entitled to the Bid Protections in accordance with the terms of the Stalking Horse APA and the Bidding Procedures Order. Pursuant to the Bidding Procedures Order, except for the Proposed Stalking Horse, no other party submitting an offer, Bid, Qualified Bid, or Overbid shall be entitled to any expense reimbursement or breakup, termination, or similar fee, unless the Receiver and the Proposed Stalking Horse (in each of their sole discretion) expressly agree otherwise in writing, and by submitting an offer, Bid, Qualified Bid, or Overbid, a Bidder (other than the Proposed Stalking Horse) shall be deemed to waive any right with respect to same.

RETURN OF GOOD FAITH DEPOSITS

The Good Faith Deposits of all Qualified Bidders shall be held in the Escrow Account, but shall not become property of the Receivership Estate absent further order of the court, except as expressly set forth in these Bidding Procedures. The Good Faith Deposit of any Qualified Bidder that is neither a Successful Bidder nor a Backup Bidder shall be returned to such Qualified Bidder not later than five (5) business days after the Sale Hearing. The Good Faith Deposit of the Backup Bidder, if any, shall be returned as set forth above. If a Successful Bidder timely closes the transaction(s) contemplated by its Successful Bid, the Successful Bidder's Good Faith Deposit shall be credited towards its purchase price.

EXHIBIT H
PERMITTED EXCEPTIONS

1. All taxes for the year 2022 and subsequent years, not yet due and payable.
2. Matters that become Permitted Exceptions pursuant to Section 5.01.

SCHEDULE 1.01
PURCHASED ASSETS AND PERMITTED LIENS

The “*Purchased Assets*” shall consist of all or substantially all of the assets of the Facilities and the Business including without limitation the following, but excluding the Excluded Assets:

- (a). Real Property. The (i) real property described in **Exhibit A** to this Agreement (collectively, the “*Land*”), (ii) all of Seller’s, Issuer’s, and Lessee’s right, title and interest in all improvements and fixtures located on the Land, including, without limitation, all buildings and structures presently located on the Land, all apparatus, equipment and appliances used in connection with the occupancy of the Land, such as heating, air conditioning, and lighting systems and other facilities used to provide any utility services, refrigeration, ventilation, garbage disposal, or other services on the Land (the “*Improvements*”), and (iii) all easements, interests, rights and privileges benefiting or appurtenant to the Land, including, but not limited to, all right, title and interest of Issuer or Lessee, as applicable, in and to any land lying in the bed of any highway, street, road or avenue, existing or proposed, in front of or abutting or adjoining the Land and all right, title and interest of Issuer or Lessee, as applicable, in and to any unpaid award for the taking by eminent domain of any part of the Land or the Improvements or for damage thereto by reason of a change of grade of any highway, street, road or avenue (the “*Appurtenances*” and together with the Land and Improvements, the “*Real Property*”);
- (b). Personal Property. All of Seller’s, Issuer’s, and Lessee’s rights and interests in the following personal property now or hereafter in existence as of the Closing Date and used solely in the ownership, use, operation, occupancy, maintenance, or development of the Real Property, including but not limited to: (i) furniture, fixtures and equipment, (ii) usual and customary inventory for the continued operation of the Facilities, (iii) to the extent assignable, resident and prospect lists, resident records and business records, originals or copies of all books, records and computer data including any and all computer operating systems in which such information may be stored, all licenses and permits to the extent transferable in accordance with applicable laws, (iv) resident trust accounts, (v) resident security deposits, (vi) to the extent assignable, the Facilities’ existing licenses, subject to approval of the Alabama Regulatory Authorities of Purchaser as the new license holder, (vii) all equipment and other tangible personal property now or hereafter located on or in the Real Property, (viii) any and all cash, cash equivalents, bank accounts, deposit accounts, credits, prepaid expenses, deposits, deferred charges, advance payments, security deposits, prepaid items, funds, securities, investment accounts, accounts receivable, notes, notes receivable, mortgages, security interests, income, revenues derived from the Purchased Assets, insurance claims, insurance proceeds, amounts to be transferred to Purchaser in accordance with Section 15.11 Patient Funds; Advance Payments of this Agreement, and (ix) any other assets of any nature whatsoever that are related to or used in connection with the business of the Facilities or the regulatory requirements of the Facilities (collectively, the “*Personal Property*”);
- (c). Intangible Property. To the extent assignable, all of Seller’s, Issuer’s, and Lessee’s rights and interests in the following intangible property now or hereafter in existence as of the Closing Date used solely in the ownership, use, operation, occupancy, maintenance, or

development of the Real Property: (i) all reports, test results, environmental assessments, and surveys; (ii) all transferrable warranties and guaranties from manufacturers, contractors, subcontractors, suppliers, and installers with respect to the Purchased Assets (“**Warranties**”); (iii) all trade names, trademarks, service marks, building and property names, and building signs used in connection with the Real Property, including facility specific domain names and uniform resource locators (URL’s) (the “**Tradenames**”); (iv) architectural drawings, plans and specifications and as-built drawings for the Purchased Assets; and (v) any development rights (collectively, the “**Intangible Property**”);

- (d). Contracts. To the extent assignable, all of Seller’s, Issuer’s, and Lessee’s rights and interest in any and all currently existing equipment leases, service, utility, supply, maintenance, and concession contracts, federal, state or private reimbursement agreements, and other continuing contractual obligations (but excluding insurance contracts, claims and policies) affecting the use, operation, maintenance, development and repair of the Purchased Assets, solely to the extent the foregoing extend beyond the Closing Date and the Purchaser elects to assume the foregoing in accordance with this Agreement (the “**Contracts**”); and
- (e). Residency Agreements. Any residency agreements for tenancy at the Facilities, personal care agreements, and other agreements for the provision of services or goods to the residents at the Facilities (collectively, the “**Residency Agreements**”) and any guarantees thereof; provided, however
- (f). for the avoidance of doubt, nothing in (a) through (e) shall include or be deemed to include the Excluded Assets, as defined in **Schedule 1.02** of this Agreement.

SCHEDULE 1.02
EXCLUDED ASSETS

1. Any and all claims and causes of action of the Issuer, Lessee, and Receivership Estate, including, but not limited to, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, and the collection of debts.
2. Any and all claims and causes of action relating to or arising out of the Loan Documents.
3. Other than Funds/Payments, any and all cash, cash equivalents, bank accounts, deposit accounts, prepaid accounts, security deposits, income, revenues derived from the Facilities before Closing Date.
4. Other than Funds/Payments, payments on account of services rendered or goods sold by Seller at the Facilities on or before the Closing Date (“*Accounts Receivable*”). Accounts Receivable shall include all amounts due Seller, whether billed or unbilled, prior to the Closing Date, for all services and ancillary services or products provided to any current or former residents by Seller prior to the Closing Date and any accounts receivable arising from the rate adjustments which relate to periods prior to the Closing Date even if such adjustments occur after the Closing Date.
5. The Leased Personal Property described in **Schedule 7.01(i)** to the Purchase Agreement.
6. Personal Property owned by the residents.

SCHEDULE 1.05
ASSUMED LIABILITIES

[Purchaser to Insert]

SCHEDULE 1.09
ANCILLARY PERMITS AND APPROVALS

Licenses

1. Change of Ownership License to Operate a skilled nursing, assisted living, and specialty care facility from the Alabama Department of Public Health for:

(a) that certain 71-unit skilled nursing and 24-unit specialty care facility located at 3151-A Knollwood Dr., Mobile, Alabama, 36693, and

(b) that certain 118-unit assisted living facility located at 3151-B Knollwood Dr., Mobile, Alabama.

2. SHPDA Change of Ownership approval for that certain 71-unit skilled nursing and 24-unit specialty care facility located at 3151-A Knollwood Dr., Mobile, Alabama, 36693

Ancillary Permits and Approvals

[Insert]

SCHEDULE 7.01(i)
LEASED PROPERTY

1. [Insert]

SCHEDULE 7.01(q)
TAX MATTERS

1. January 11, 2022, notice from Revenue Commissioner of Mobile County regarding pending audit of business personal property accounts.