

SEP 01 2016

State Health Planning And Development Agency

Alabama CON Rules &amp; Regulations

**CHANGE OF OWNERSHIP****Part I: Purchasing Organization Information**

Name of Organization: CP 8 (AL) Inc.

Facility Name:  
(ADPH Licensure name) Country Place Memory Care of Greenville

SHPDA ID Number: 013-57002

Address (PO Box #): 3131 McKinney Ave, Suite 475

City, State, Zip, County: Dallas, Texas, 75204, Dallas County

Number/Type Licensed Beds: 16 Specialty Care Assisted Living beds

Owner(s): CP 8 (AL) Inc.

Operator(s): CP 8 (AL) Inc.

**Part II: Selling Organization Information**

Name of Organization: Homewood of Greenville LLC, Wood Properties of Greenville LLC

Address (PO Box #): 3108 Luverne Highway

City, State, Zip, County: Greenville, Alabama, 36037, Butler County

Number/Type Licensed Beds: 16 Specialty Care Assisted Living beds

Owner(s): Wood Properties of Greenville LLC

Operator(s): Homewood of Greenville LLC

**Part III: Value of Consideration**

Monetary Value of Purchase: \$ 325,000 No./Type Beds: 16 Specialty Care Assisted Living beds

Terms of Purchase: See attached for contract  
(add more pages as necessary to describe the sale)

**Part IV: List of Certificate of Need Authority**

Number of Beds: 16

Types of Institutional Health Services: Specialty Care Assisted Living

List Service Area by County for Home Health Agencies: N/A

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

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

**Part V: Certification of Information**

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

Seller(s) Signature(s):

Owner(s):

Operator(s):

Title/Date:

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

☒ YES ☐ NO

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

Purchaser Signature:

Title/Date:

Owner/President 8/30/16

1. We will be acquiring the assets of the operating company and equipment. The acquired company had annual expenses of \$552,000. It is anticipated that our annual expense will be similar to this amount.
2. The services to be offered will be previously offered services.
3. The proposal will not involve the addition of any new beds.
4. The proposal will not involve the conversion of any beds.
5. Assets will be acquired; No stock.

**AGREEMENT FOR SALE AND PURCHASE OF CERTAIN ASSETS OF HOMEWOOD  
OF GREENVILLE, ALABAMA**

**(IMPROVED INCOME-PRODUCING REAL PROPERTY)  
(CASH SALE)**

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the date the closing escrow agent receives and accepts a fully executed copy of this Agreement (the "Agreement Effective Date"), by and between Wood Properties of Greenville, L.L.C., an Alabama limited liability company, and Homewood of Greenville, L.L.C., an Alabama limited liability company, collectively referred to herein as "Seller", on the one hand, and Pacrim US Landco LLC, a Texas limited liability company, or assigns, as "Purchaser", on the other hand, for the purposes and considerations, and to evidence the covenants and obligations of the Seller and Purchaser, set forth below. As used in this Agreement, the word "Parties" shall mean Seller and Purchaser, in the aggregate, and the word "Party" shall mean Seller and Purchaser singularly and interchangeably.

**Preliminary Statements**

Seller owns and operates an assisted living facility (specializing in the memory care of senior adults) in Greenville, Alabama, under the name Homewood of Greenville, such business being hereinafter referred to as the "Assisted Living Business". The place of business of the Assisted Living Business is 3108 Luverne Highway, Greenville, Alabama 36067, and is hereinafter referred to as the "Business Facilities".

Seller is willing to sell and convey to Purchaser, and Purchaser is willing to purchase for cash and acquire from Seller, certain, but not all, of the assets of the Assisted Living Business. As additional consideration for such purchase, Purchaser is willing to assume certain, but not all, of the liabilities of the Assisted Living Business.

The Parties acknowledge the foregoing Preliminary Statements, which are incorporated into this Agreement as part of the terms hereof, as true and correct as of the Agreement Effective Date; accordingly, the Preliminary Statements are contractual and not mere recitations of facts.

**Covenants and Obligations**

Accordingly, in consideration of the premises, the mutual covenants and obligations hereinafter made, the mutual representations hereinafter made, and the mutual benefits to be derived herefrom, and intending to be legally bound, Seller and Purchaser agree and obligate themselves on the following terms and conditions:

**I.  
Sale and Purchase**

1.1. **The Purchased Assets.** For the consideration, subject to the conditions, and upon the terms hereinafter set forth, Seller agrees and obligates itself to sell, convey, and deliver to Purchaser, and Purchaser agrees and obligates itself to purchase, acquire, and accept delivery from Seller of, only the following assets of the Assisted Living Business (the "Purchased Assets"):

a. **Land, Buildings, Fixtures, and Improvements (collectively, "Land").**

That certain land (both surface and minerals) owned in fee simple absolute located in the City of Greenville, County of Butler, State of Alabama, being all that certain land acquired by Wood Properties of Greenville, L.L.C., as grantee, by that certain Warranty Deed dated January 1, 2003, filed in the Office of the Judge of Probate of Butler County, Alabama, on January 3, 2003, in Real Property Book 0277, Page 626, in which Homewood Greenville, L.L.C. is the grantor, which deed covers that certain parcel of land situated in Section 20, Township 10 North of the Saint Stephens Base Line, Range 15 East of the Saint Stephens Principal Meridian, Butler County, Alabama, more particularly described therein, and containing approximately 3.042 acres of land, together with all buildings, structures, improvements, facilities, amenities, and fixtures located thereon, and together with all rights, benefits, easements, rights-of-way, rights of ingress and egress, licenses, permits, claims, privileges, appurtenances, tenements, and hereditaments appurtenant thereto, benefitting thereof, or in any way relating thereto, including, but not limited to, all of Seller's right, title, and interest in and to minerals, utility and development rights, adjacent streets and alleys, strips, gores, and rights-of-way. The specific legal description of the Land is as follows:

A certain parcel of land situated in Section Twenty (20), Township Ten (10) North, and Range Fifteen (15) East, Butler County, Alabama, and more particularly described as follows:

Commence at an iron pin at the point where West line of the East half of the West half of said Section Twenty (20) intersects the Southwesterly Right-of-Way line of Alabama Highway No. 10;

Thence South 50° 20'00" East along said Right-of-Way line for 877.95 feet to an iron pin at the point of beginning of the property herein described;

Thence continue South 50° 20'00" East along said Right-of-Way line for 530.00 feet to an iron pin;

Thence South 39° 40'00" West for 250.00 feet to an iron pin; Thence North 50° 20'00" West for 530.00 feet to an iron pin;

Thence North 39° 40'00" East for 250.00 feet to the point of beginning.

Said property lies within the Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Southwest Quarter of Section Twenty (20), Township Ten (10) North, Range Fifteen (15) East, Butler County, Alabama, and contains 3.042 acres, more or less.

b. **Furniture, Equipment, Inventory, Materials, Records, and Supplies (collectively, "Tangible Personal Property").**

All movable machinery, equipment, cooking utensils, furniture, furnishings, supplies, software, artwork, tools, inventory, materials, business and employee books, records, and data, and other items of tangible personal property owned by Seller and located at the Business Facilities on the Agreement Effective Date, and used or held for use by Seller in connection with the operation of the Assisted Living Business.

The Tangible Personal Property includes, but is not limited to, those items of tangible personal property described in the schedule which is attached hereto, marked Schedule I, and hereby made a part hereof for all purposes, and which schedule shall be completed by Seller and Purchaser during the due diligence or feasibility period provided for in this Agreement. The Tangible Personal Property includes trade fixtures and signs. The Tangible Personal Property will be subject to upward or downward adjustment through the Sale Effective Date to account for transactions that occur in the ordinary course of business and that have been approved in writing by Purchaser subsequent to the Agreement Effective Date.

c. **Contract Rights, Intangibles, Licenses, and Permits (collectively, "Intangible Personal Property")**.

To the extent assignable, all rights of Seller in, to, and under those particular contracts, agreements, letters-of-intent, purchase orders, deposit agreements, resident services agreements, leases, intellectual property rights, guarantees, warranties, certificates of need, business licenses, certificates of occupancy, and business permits, that are necessary, convenient, or desirable in connection with the operation of the Assisted Living Business, or that relate thereto, and that Purchaser, subsequent to the Agreement Effective Date and prior to the Closing Date, elects to receive. Such intangible personal property that presently exists in connection with the Assisted Living Business (and from which Purchaser will make elections) includes, but is not limited to, those items of intangible personal property described in the schedule which is attached hereto, marked Schedule II, and hereby made a part hereof for all purposes, and which schedule shall be completed by Seller and Purchaser during the due diligence or feasibility period provided for in this Agreement. If Purchaser elects to take an assignment of, and assume, certain resident services agreements, the Intangible Personal Property shall include any deposits or pre-paid rents associated therewith.

1.2. **Excluded Assets**. Notwithstanding anything contained herein to the contrary, it is understood and agreed that the Purchased Assets shall not include, but rather there shall be excepted, reserved, and retained by Seller, all assets, properties, and rights of Seller, except the Purchased Assets.

1.3. **Consideration**. The consideration for the sale, conveyance, and delivery of the Purchased Assets shall consist of the (i) cash purchase price, and (ii) limited assumption of liabilities set forth below.

A. **Cash Purchase Price**. The total cash purchase price payable by Purchaser to Seller shall be the sum of \$325,000.00.

B. **Limited Assumption of Liabilities**. As part of the consideration for the Purchased Assets, and in addition to the Cash Purchase Price, Purchaser shall assume, and agree to pay or perform, only the following (and none other) obligations and liabilities:

- (i) those liabilities and obligations that arise out of the ownership or operation of the Purchased Assets from and after the Sale Effective Date, and that result solely from conditions existing or acts, omissions, or events occurring after the Sale Effective Date, and that are originally and first performable after the Sale Effective Date; and
- (ii) all liabilities of Seller for real property and personal property taxes in respect of the Purchased Assets for the tax year in which the Closing takes place, provided that such taxes shall be prorated between Seller and Purchaser as of the Sales

Effective Date.

## II.

### Effective Date of Sale and Closing Date

2.1. **Effective Date.** The effective date of the sale and conveyance of the Purchased Assets by Seller to Purchaser shall be the time on the Closing Date that the closing escrow agent certifies to the Parties that closing and funding have occurred, and which is referred to in this Agreement as the "Sale Effective Date".

2.2. **Closing Date.** The closing of the sale of the Purchased Assets by Seller to Purchaser (the "Closing") shall take place by the contemporaneous exchange of money and documents at the offices of the closing escrow agent described below on a date that is provided for in Section 7.7 of this Agreement (the "Closing Date").

## III.

### Representations and Warranties of Seller

As an inducement to Purchaser to enter into this Agreement and purchase and pay for the Purchased Assets, and in consideration thereof, and with full knowledge and understanding that Purchaser is relying on the truth and accuracy thereof in entering into this Agreement and purchasing and paying for the Purchased Assets, as of the Agreement Effective Date and as of the Sales Effective Date, Seller represents and warrants to, and agrees with, Purchaser as follows:

(a) Seller has the legal right and power to own, operate, and utilize all of the Purchased Assets, and has the power and legal right and is duly authorized to sell and deliver the Purchased Assets to Purchaser, and to carry out the terms of and to perform all of its obligations under this Agreement; and the execution and delivery of this Agreement, and the consummation of the transactions contemplated by this Agreement, will not conflict with, or result in the breach of, any material terms, conditions, or provisions of, or constitute a material default under, any agreement, contract, or instrument to which Seller is a party or subject, or to which the Purchased Assets are subject, or be a violation of any applicable law, rule, regulation, ordinance, or court decree;

(b) Seller will convey to Purchaser on the Closing Date good and marketable record title to, and beneficial ownership of, the Purchased Assets, free and clear of all liens, claims, restrictions, security interests, and other burdens and encumbrances of any nature other than only liens for property taxes not yet due and payable and other matters Purchaser has agreed to take subject to;

(c) On the Closing Date, all the Purchased Assets will be in substantially the same condition as they were on the Agreement Effective Date and be located at the Business Facilities;

(d) Neither the Purchased Assets, nor the use or operation thereof, violate any law, statute, rule, regulation, ordinance, or decree;

(e) Seller is not a party to any pending, or to its knowledge, threatened, litigation or administrative proceedings that might materially and adversely affect the Purchased Assets or the financial condition of the Assisted Living Business, nor are there any unsatisfied or outstanding judgments, decrees, or orders against Seller or the Purchased Assets that might materially and adversely affect the financial condition of the Assisted Living Business;

(f) Each Seller is, and at the Closing Date will be, a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Alabama; the Managers and/or Members of each Seller have, and prior to the Closing Date will have, taken all action required by law, its operating agreements, its governing documents, or otherwise, to duly and fully authorize the sale of the Purchased Assets to Purchaser hereunder, and the execution, delivery, and performance of this Agreement, including the execution and delivery of all deeds, assignments, conveyances, bills of sale, and other documents or instruments provide for or contemplated by this Agreement; the person or persons signing this Agreement or who will sign any closing documents on behalf of Seller have been duly authorized to do so by all necessary actions of the Managers and/or Members of Seller;

(g) At all times prior to the Closing Date, Seller will cause the Assisted Living Business to be conducted prudently and in the usual and ordinary manner of the industry;

(h) To the best of Seller's knowledge, all information regarding the Purchased Assets furnished to Purchaser is true, correct and complete, Seller has not failed to furnish to Purchaser any information which would be material to the ownership, operation or development of the Purchased Assets by Purchaser, and Seller has disclosed to Purchaser in writing all material adverse information regarding the Purchased Assets of which Seller is aware, and Seller expressly disclaims all warranties with respect to the Purchased Assets, including merchantability, fitness for a particular purpose, and suitability for its intended use. Purchaser is a sophisticated owner and operator of facilities similar to the Assisted Living Business and Purchaser has entered into this Agreement with the intention of making and relying on its own investigation or that of third parties with respect to the physical, environmental, economic, and legal condition of the Purchased Assets. Purchaser is not relying upon any statements, representations or warranties of any kind, except those made in this Agreement and is acquiring the Purchased Assets in "as is" condition except or unless specifically set forth in this Agreement;

(i) All federal, state, county, and municipal taxes of any nature which are or may be enforced against or collected from, or may be the basis for creations or imposition of an assessment or lien against, any of the Purchased Assets, or any of the other assets of the Assisted Living Business, for all years or periods through the most current returns due, have been duly prepared and filled in good faith, and all taxes shown thereon have been paid; there are no pending proceedings or other actions for the assessment or collection of any such additional taxes for any such period or for the imposition or perfecting of any lien against the Purchased Assets or the other assets of the Assisted Living Business, and no notice has been received by Seller of any deficiency in, or any filing or imposition of any lien to collect or enforce, the payment of taxes for any such period, except only notices as to deficiencies which have previously been paid in full or settled; all personal property taxes payable in respect of the Purchased Assets through the most current calendar year have been paid in full when due;

(j) The representation and warranties of Seller herein, and the information contained in all exhibits or schedules attached to or made part of this Agreement and/or all schedules, statements, and/or certificates to be furnished by or on behalf of Seller pursuant to this Agreement, or in connection with the closing or consummation of the transactions contemplated hereby, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein and/or therein not misleading. Seller, by its execution and delivery of this Agreement, acknowledges its specific understanding that the accuracy and completeness of its representations and warranties and the information contained in this Agreement, in the exhibits or schedules, and in such schedules, statements, and certificates, have been and will be relied upon by Purchaser in entering into and in performing and observing its obligations under this Agreement, and that each and all of same are a



material inducement to Purchaser to so enter into and perform its obligations under this Agreement.

(k) Neither the whole nor any portion of the Purchased Assets has been condemned, requisitioned, or otherwise taken by a public authority, and no such action is threatened or contemplated.

(l) Seller is responsible for all debts and liabilities of the Assisted Living Business prior to the Sale Effective Date. Debts are excluded liabilities of Purchaser.

(m) To Seller's knowledge, in connection with the operation of the Assisted Living Business, including, but not limited to, environmental and employee matters, Seller is in compliance with all governmental laws, rules, and regulations.

#### **IV.**

##### **Representations and Warranties of Purchaser**

As an inducement to Seller to enter into this Agreement and sell and convey the Purchased Assets to Purchaser, and in consideration thereof, and with full knowledge and understanding that Seller is relying on the truth and accuracy thereof in entering into this Agreement and selling and conveying the Purchased Assets to Purchaser, as of the Agreement Effective Date and as of the Sales Effective Date, Purchaser represents and warrants to, and agrees with, Seller as follows:

(a) Purchaser is, and at the Closing Date will be, a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Texas; Purchaser has corporate power and is duly authorized to execute and deliver this Agreement, to carry out the terms and provisions of, and to perform its obligations under, this Agreement, and to acquire and operate the Purchased Assets.

(b) All entity action necessary on the part of Purchaser to authorize the execution and delivery to Seller of this Agreement and the performance of Purchaser's obligations hereunder, have been, or prior to Closing Date will be, duly taken, and the execution, delivery, and performance of this Agreement will not conflict with or result in the breach of any material terms, conditions, or provisions, or constitute a default, under any material agreement, contract, or instrument to which Purchaser is a party, or by which it is bound, or be a violation of any law, statute, regulation, judgement, order, decree, or ordinance of the United States, any state, county, or municipality, or any federal or state court, or administrative agency or regulatory body.

(c) The representations and warranties of Purchaser herein, and the information contained in all schedules, statements, and/or certificates to be furnished by or on behalf of Purchaser pursuant to this Agreement, or in connection with the closing or consummation of the transactions contemplated hereby, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein and/or therein not misleading.

#### **V.**

##### **Covenants of Seller**

5.1. **Continuation of Business.** Until the Closing on the Closing Date, Seller shall (i) continue to own and operate the Assisted Living Business for its own account, and Seller shall be entitled to the profits and shall bear the losses thereof, (ii) cause the Assisted Living Business and its operations to be conducted in a reasonably prudent business manner consistent with industry standards, comply with

all laws affecting operations of the Assisted Living Business, file all required tax returns and pay all required taxes, and preserve relations with residents, customers, vendors, suppliers, employees, and governmental officials, (iii) not take any action that would have a material adverse effect on the Assisted Living Business and/or its operations and/or the Purchased Assets, (iv) not take any adverse action with respect to the Purchased Assets or its title, (v) provide updated information about the Purchased Assets and its title as to any matters of which the Seller becomes aware, and (vi) not sell, transfer, dispose of, or encumber, mortgage, pledge, grant a security interest in, or allow a lien or security interest to be placed against the title to the Purchased Assets, except as approved in advance in writing by Purchaser.

5.2. **Books and Records.** Seller covenants and agrees that, between the Agreement Effective Date and the Closing Date, it shall open or cause to be opened its books, records, and accounts at reasonable hours to, and reasonably cooperate with, the accountants, auditors, legal counsel, and other designated representatives of Purchaser, for the purpose of any audit, inspection, verification, or review that Purchaser elects to make, at Purchaser's expense, of the Purchased Assets or the Assisted Living Business, or the representations, warranties, or covenants of Seller. At no cost to Purchaser, Seller shall cause its third party accountant Bart McCurley of accounting firm Carr, Riggs and Ingram, located at 1601 2nd Ave. East, Oneonta, Alabama 35121, to be available to Purchaser or its designated representatives during normal business hours to answer questions about and make explanations of the accounting records, financial statements, tax records, payroll register, billing information, computer information, insurance information, including workman's compensation, list of vendors, utility providers, and other contracts or data, or any data associated therewith, that relate to the Assisted Living Business or the Purchased Assets. However, under no circumstances shall Purchaser or its designated representatives contact Seller's employees, staff, or residents at the Business Facility without Seller's consent. Consent shall not be unreasonably withheld or delayed. Notice may be given and coordinated by contacting Fred Wood at 334 567-7937.

5.3. **Inspection and Tests.** Seller covenants and agrees that, between the Agreement Effective Date and the Closing Date, Seller shall permit Purchaser and its designated representatives to conduct non-invasive physical inspections of the Purchased Assets; provided, however, Purchaser shall not be permitted to perform any environmental investigations or invasive testing which are beyond the scope of typical so-called 'phase I' investigation without Seller's prior written consent. Seller agrees that Purchaser has the right to conduct other reviews, land title surveys, tests, and any other property condition or property related inspections or surveys with respect to the Purchased Assets. All such inspections shall be performed in a manner consistent with this Agreement and being careful to minimize any disruption to the facility's residents, staff, or the routine operations at the business. The scheduling of such inspections shall be at such times as are mutually convenient to the parties. Please contact Fred Wood at least two days in advance if possible at 334 567-7937 to help coordinate the inspection.

5.4. **Indemnity Agreement.** To induce Purchaser to purchase and pay for the Purchased Assets, and in consideration thereof, Seller shall, and hereby agrees and obligates itself to, indemnify, hold harmless, protect, and defend Purchaser against all claims, demands, losses, liabilities, obligations, actions, expenses, and attorneys' fees, made, asserted, or filed against, suffered or incurred by, imposed upon or rendered against, Purchaser, which, directly or indirectly, result from or arise out of (i) any material inaccuracy or incompleteness in any of Seller's representations or warranties set forth in this Agreement; for the purposes hereof, an inaccuracy or incompleteness in any such representation or warranty shall be deemed material if it has an economic consequence in excess of Five Hundred Dollars (\$500.00); (ii) any breach or violation by Seller of any of its covenants or obligations under this Agreement; and/or (iii) the ownership or operations of the Purchased Assets or the Assisted Living Business, prior to the Sale Effective Date, or resulting from conditions existing or acts, omissions, or

events occurring prior to the Sale Effective Date.

5.5. **Earnest Money.** If Purchaser terminates this Agreement in accordance with any of its rights to terminate, Seller will, within five days of receipt of Purchaser's termination notice, authorize the closing escrow agent to deliver the earnest money to Purchaser, less \$100.00, which will be paid to Seller as independent consideration for Purchaser's contractual rights to terminate this Agreement.

5.6. **Property Information.** Within ten (10) days of the Agreement Effective Date, Seller shall furnish or make available to Purchaser all relevant information about the Purchased Assets in its possession or under its control.

5.7. **Third Party Approvals.** Seller shall use its best efforts and cooperate with Purchaser so that Purchaser may obtain all necessary or desirable private party or governmental approvals, licenses, permits, releases, or agreements in order to own and operate the Purchased Assets in the manner desired by Purchaser or to consummate the sale and purchase contemplated by this Agreement.

5.8. **Non-Competition by Seller.** To induce Purchaser to purchase and pay for the Purchased Assets, and in consideration thereof, Seller and the individual members and managers thereof shall not, and agrees and obligates themselves not to, compete, directly or indirectly, with Purchaser in the Purchaser's continuation of the business previously conducted by Seller as Homewood of Greenville, provided that this covenant shall not apply to or restrict in any respect the operation by the individual members and managers of Seller of Park Place Nursing and Rehabilitation Center in Selma, Alabama, which is currently owned and operated by them. This covenant not to compete shall be applicable within fifty miles of the Business Facilities and shall exist for a term of 18 months from the Closing Date.

5.9. **Title Commitment.** Within ten business days after the Agreement Effective Date, Seller shall furnish Purchaser with a commitment for title insurance or title opinion or title search covering the Land together with complete and legible copies of all title exceptions shown thereon.

## VI.

### **Covenants of Purchaser**

6.1. **Assumption Agreement.** To induce Seller to sell and convey the Purchased Assets to Purchaser, and in consideration thereof, Purchaser agrees and obligates itself to execute and deliver to Seller, at the Closing on the Closing Date, a mutually agreeable limited assumption agreement covering those, and only those, obligations and liabilities being assumed by Purchaser.

6.2. **Certain Actions.** Between the Agreement Effective Date and the Closing Date, Purchaser shall not utilize for the benefit of any third party, or disclose to any third party, trade secrets or confidential information of Seller's Assisted Living Business, or solicit Seller's customers. All information and data will only be used in the course of its due diligence as provided herein, and Purchaser shall utilize its best effort to keep the information of pending sale strictly confidential. Notwithstanding the foregoing, Seller acknowledges that Purchaser may disclose information to third party consultants in the normal course of Purchaser's due diligence provided that consultants agree to be bound and abide by these terms and conditions, and as may be required for any regulatory filings. Purchaser is prohibited from issuing a press release generally describing the transactions contemplated until after the Closing Date.

6.3. **Indemnity Agreement.** To induce Seller to sell and convey the Purchased Assets, and

in consideration thereof, Purchaser shall, and hereby agrees and obligates itself to, indemnify, hold harmless, protect, and defend Seller against all claims, demands, losses, liabilities, obligations, actions, expenses, and attorneys' fees, made, asserted, or filed against, suffered or incurred by, imposed upon or rendered against, Seller, which, directly or indirectly, result from or arise out of (i) any material inaccuracy or incompleteness in any of Purchaser's representations or warranties set forth in this Agreement; for the purposes hereof, an inaccuracy or incompleteness in any such representation or warranty shall be deemed material if it has an economic consequence in excess of Five Hundred Dollars (\$500.00); (ii) any breach or violation by Purchaser of any of its covenants or obligations under this Agreement; and/or (iii) the ownership or operations of the Purchased Assets or the Assisted Living Business, subsequent to the Sale Effective Date, or resulting from conditions existing or acts, omissions, or events occurring subsequent to the Sale Effective Date.

## **VII.**

### **Other Agreements Relating to Sale of Land and the other Purchased Assets**

7.1. **Earnest Money.** Within three business days after the Agreement Effective Date, Purchaser will deliver to the closing escrow agent \$10,000.00, as earnest money, to be held by the closing escrow agent and applied to the cash purchase price at Closing or otherwise disbursed in accordance with the Agreement. The closing escrow agent and title insurance agent is hereby designated as Republic Title of Texas, Inc., 2626 Howell Street, 10<sup>th</sup> Floor, Dallas, Texas 75204, Attn: Sarah-Jane Worrell-Bowdoin, Vice-President, the closer, whose phone number is 214-855-8888, and whose email is [SJWorrell@republictitle.com](mailto:SJWorrell@republictitle.com), and whose fax is 972-516-2526. By signing below, the closing escrow agent hereby acknowledges receipt of the earnest money in the amount of \$10,000.00.

7.2. **Title Search, Examination, and Policy.** At Closing, Purchaser shall pay for and cause to be delivered to Purchaser an ALTA Owner's Policy of Title Insurance covering the Land in an agreed amount, subject only to those title matters expressly agreed to by Purchaser. Seller shall pay the title company its fees, if any, to perform any title search, examination, and underwriting with respect to the Land.

7.3. **Taxes and Liens.** Real property taxes for the tax year in which the Closing takes place shall be prorated between Seller and Purchaser at the Closing. Any other tax liens or other monetary liens against the title to the Land or the other Purchased Assets that exist as of the Closing Date will be paid by Seller.

7.4. **Feasibility Period.** Purchaser shall have the right to terminate this Agreement as to the Land and the other Purchased Assets for any reason or no reason on or before September 30, 2016 (the "Feasibility Period"). In the event that Purchaser elects to terminate this Agreement prior to the expiration of the Feasibility Period, the earnest money shall be refunded to Purchaser less \$100 that Seller shall retain as independent consideration for Purchaser's unrestricted right to terminate this Agreement. Seller acknowledges that certain conditions and/or contingencies in this Agreement may grant Purchaser sole and/or absolute discretion to terminate this Agreement. It is the intent of Purchaser and Seller that this Agreement be binding on all Parties and not illusory. Therefore, if Purchaser terminates this Agreement pursuant to any exercise of Purchaser's discretion granted herein that might otherwise make this Agreement illusory, Seller shall be entitled to a termination/option fee from Purchaser equal to one hundred dollars (\$100.00), which amount may be deducted from any Earnest Money, as full consideration for the granting of such discretion to Purchaser. During the Feasibility Period and continuing through the Closing Date, Purchaser or its agents shall have the right to enter the Land during normal business hours to make surveys, inspections, and assessments of the Land and the

Purchased Assets that Purchaser deems desirable (collectively, the "Inspections"); provided, however, all such activities shall be subject to the provisions of Section 5.3 of this Agreement.

**Additional Deliveries.** In order to assist Purchaser in its Inspections and other evaluations of the Land, Seller shall disclose and/or deliver to Purchaser, within ten (10) business days after the Agreement Effective Date, all information or documents in Seller's possession or control or of which Seller has knowledge relating to (a) any flooding of the Land, (b) any pending or threatened litigation, condemnation, or special assessment affecting the Land, (c) any environmental hazards or conditions affecting the Land, (d) any dumpsite, landfill, or underground tanks or containers now or previously located on the Land, (e) any wetlands, as defined by federal or state regulation, affecting the Land, (f) any threatened or endangered species or their habitat affecting the Land, (g) any title, survey, legal, tax, regulatory, or physical condition affecting the Land, (h) documents evidencing that the sale of the Land and the Purchased Assets has been properly authorized, if Seller is other than a natural person, and designating the person authorized to sign the Agreement, (i) previous environmental site assessments, land surveys or drawings, title policies, previous permits and licenses, and (j) any other information or documentation that would be important for Purchaser to consider in connection with its purchase of the Purchased Assets.

**Approvals.** Seller acknowledges that during and after the Feasibility Period, Purchaser shall commence, proceed with and/or continue its efforts to receive all applicable governmental and regulatory agency approvals (each an "Approval" and collectively, the "Approvals") for Purchaser's proposed ownership and use of the Land. Seller agrees to cooperate with Purchaser's efforts to obtain such Approvals and to execute any applications, requests, certifications, or other documents requested by Purchaser in connection with Purchaser seeking such Approvals; provided, however, Seller shall have no responsibility to pay any costs of obtaining any Approval.

7.5. **Closing Costs.** Seller and Purchaser shall split equally and pay the escrow closing fee of the closing escrow agent. Seller and Purchaser shall each pay their respective attorney's fees. Purchaser shall pay the recording fee for the deed. Seller shall pay any documentary or transfer taxes with respect to the deed, the costs and recording fees to have liens released or curative documents recorded, and the cost of tax certificates.

7.6. **Default.** In the event that Purchaser wrongfully fails to consummate the purchase of the Purchased Assets, Purchaser will be in default, and Seller shall, as Seller's sole and exclusive legal and equitable remedy, terminate this Agreement and retain the earnest money as liquidated damages, thereby releasing both parties from all liability under this Agreement. The parties acknowledge that: (i) it would be impracticable to fix the actual damages suffered by Seller as a result of such default; and (ii) the amount of the liquidated damages represents a fair and reasonable compensation to Seller for such default. If Seller wrongfully fails to comply with this Agreement, Seller will be in default under this Agreement and Purchaser may, at Purchaser's sole option, (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this Contract and receive the earnest money less any independent consideration, and in addition Seller shall be obligated and does hereby obligate itself to reimburse Purchaser for all of Purchaser's actual, reasonable, out-of-pocket expenses and costs paid or incurred through the date of such default in connection with its efforts to purchase the Purchased Assets, comply with the Agreement, satisfy title requirements, perform due diligence activities or feasibility studies, and work toward the closing of the transaction, thereby releasing both parties from this Agreement.

7.7. **Closing.** The Closing of the sale of the Land and the Purchased Assets shall take place

at the office of the closing escrow agent or at such other place or other manner as may be mutually agreed by the Parties, and shall be on or before September 30, 2016, or, if applicable, any extensions thereof (the "Closing Date"). However, in the event that as of the then currently scheduled Closing Date any law, ordinance, moratorium, or other governmental requirement, or any court or regulatory proceeding, is in effect, in existence, or is contemplated, which shall prohibit or adversely affect the ownership or use of the Land for Purchaser's intended purposes, or is detrimental to Purchaser in Purchaser's sole discretion, or Purchaser has not received any necessary or desirable Approvals (as defined in the Agreement), or there exists any unresolved title or survey objections, or there exists any adverse legal, tax, or regulatory issues, or there is another legitimate reason to extend the Closing Date, or the Agreement provides another basis for the Closing Date to be extended, Purchaser shall have the right: (i) to adjourn the Closing and extend the Closing Date for an additional one (1) month from the then currently scheduled Closing Date, by delivering a written notice to Seller ("Closing Date Adjournment Notice"), extending the then currently scheduled Closing Date for one (1) additional month, or (ii) terminate this Agreement by giving written notice of such termination to Seller, delivered no later than five (5) days prior to the then currently scheduled Closing Date, and receive the earnest money less any independent consideration.

At Closing, the parties hereto will execute and deliver, or furnish, all deeds, tax statements or certificates, assignments, authorization documents, affidavits, and any notices, statements, certificates, releases, and other documents required or contemplated by this Agreement, the title commitment, the law, the closing escrow agent, the title insurance underwriter, or is customary in the jurisdiction, necessary or convenient for the closing of the sale and the issuance of any title policy. At Closing, Purchaser will pay the cash sales price, after the same is adjusted, and after applying any earnest money, in good funds acceptable to the closing escrow agent. At or before Closing, Seller will terminate, at its sole cost, all service contracts and all other leases and contracts affecting all or any part of the Purchased Assets that are not being assigned to Purchaser.

#### **VIII.**

##### **Conditions Precedent to Seller's Obligations**

The obligations of Seller to consummate the transaction contemplated by this Agreement is subject to the satisfaction on the Closing Date, unless waived in writing by Seller on or prior to the Closing Date, of the following conditions:

- (a) The representations and warranties of Purchaser set forth in this Agreement were true and correct in all material respects when made, and shall be true and correct in all material respects at and as of the Closing Date. Purchaser shall have performed all covenants and complied with all obligations required by this Agreement to be performed or complied with by it prior to or at the Closing Date.
- (b) Purchaser shall have executed and delivered to Seller the Assumption Agreement provided for above; and
- (c) Purchaser shall have paid to Seller the Cash Purchase Price.

#### **IX.**

##### **Conditions Precedent to Purchaser's Obligations**

The obligations of Purchaser hereunder are expressly subject to the fulfillment on or prior to the Closing Date, unless waived in writing by Purchaser on or prior to the Closing Date, of each and all of the following conditions (and at the election of Purchaser, the Closing Date will be extended to allow sufficient time for such conditions precedent to be satisfied):

(a) The representations and warranties of Seller set forth in this Agreement were true and correct in all material respects when made, and shall be true and correct in all material respects at and as of the Closing Date. Seller shall have performed all covenants and complied with all obligations required by this Agreement to be performed or complied with by it prior to or at the Closing Date.

(b) Seller shall have executed and delivered to Purchaser a deed to the Land (being a general warranty deed), and other conveyances, bills of sale, and assignments necessary or appropriate for the acquisition by Purchaser of the Purchased Assets; also such additional documents (including, but not limited to, transfers of record title to motor vehicles) as may be reasonably required by Purchaser's counsel to accomplish the acquisition by Purchaser of the Purchased Assets or for the Purchaser to obtain the owner's policy of title insurance it desires.

(c) Any and all requisite or desirable consents or approvals by third parties, both private parties and governmental agencies, of this Agreement or any part thereof, or any of the transactions, conveyances, bills of sale, assignments, or transfers contemplated hereby, shall have been obtained in writing to the satisfaction of Purchaser.

(d) No actions shall be pending at law or in equity before any court, or before any governmental unit or administrative agency, in which it is sought to enjoin the transactions contemplated hereby, or any of them, or recover damages as a result thereof, or which might adversely affect or be detrimental to Purchaser's ownership or use of the Purchased Assets.

(e) All creditors shall have released all liens, security interests, security agreements, and financing statements they may own or hold with respect to the Purchased Assets. The existing real estate lease of the Land by and between Wood Properties of Greenville, L.L.C., as Lessor, and Homewood of Greenville, L.L.C., as Lessee, shall have been terminated.

(f) The title commitment covering the Land (and the underlying title documentation), the land title survey, and the results of all inspections, surveys, and tests conducted by or on behalf of Purchaser with respect to the Purchased Assets must be acceptable to Purchaser before Purchaser is obligated to close. Purchaser can object to title, survey, legal, tax, regulatory, or property condition matters at any time prior to Closing and, consequently, not be obligated to close. Purchaser can object (and consequently not be obligated to close) if new adverse title, survey, legal, tax, regulatory, or property condition matters are disclosed to Purchaser at any time up until the moment of Closing.

(g) The title company is prepared to issue an owner's policy of title insurance covering the Land to Purchaser in an amount and containing terms acceptable to Purchaser.

(h) Purchaser's legal counsel shall be satisfied that title to the Purchased Assets is good and marketable, that all closing documentation is in order, contains terms acceptable to Purchaser, and has been properly signed, notarized, and delivered to the closing escrow agent.

(i) Purchaser shall be satisfied that all employees of Seller who are employed by Seller to work at the Business Facilities have been terminated by Seller, and that all such employees have received all final wages, salaries, vacation pay, severance pay, and fringe benefits that are due them through the termination date. Purchaser shall be satisfied that it has engaged sufficient employees to work at the Business Facilities commencing at the Sales Effective Date. Purchaser shall be satisfied that it has obtained all necessary Approvals, contracts, licenses, permits, certificates of need, consents, and other documents required or desirable for it to own and continue the Assisted Living Business at the Business Facilities at the Sales Effective Date.

(j) Purchaser must be satisfied as to the results of all judgment, tax, lien, security interests, and UCC-1 financing statement searches conducted with respect to Seller, the Assisted Living Business, and the Purchased Assets. Purchaser must be satisfied that the State of Alabama and any local governmental unit will issue tax clearance letters or certificates of compliance with respect to the transaction contemplated by this Agreement.

(k) Purchaser must be satisfied that all debts and liabilities of Seller and the Assisted Living Business have been paid or adequate provision has been made for their payment.

#### **X. Closing Procedure**

On the Closing Date and at the place of Closing hereinabove specified, the following procedure shall be followed:

(a) Seller will execute, before a notary public, if necessary, and swear to before a notary public, if necessary, and deliver to Purchaser a general warranty deed to the Land, and bills of sale, assignments, transfers, affidavits, certificates, agreements, and other instruments and documents described or referred to in or contemplated by this Agreement, or required by the title company, or reasonably required by Purchaser or its counsel, for the consummation of the transaction contemplated by this Agreement, and conveying the Purchased Assets and all of the properties, assets, contracts, and rights comprising the same to Purchaser. Seller will also deliver to Purchaser all consents, approvals, and releases by third parties required to make such bills of sale, conveyances, assignments, and transfers effective as to such third parties and/or otherwise legally effective.

(b) By wire transfer, Purchaser will pay to Seller the cash purchase price, less adjustments and any earnest money.

(c) Purchaser will execute and deliver to Seller the Assumption Agreement and will execute and deliver to the title company all documents required by it.



(d) Seller will furnish Purchaser and the title company with copies of all appropriate limited liability company organizational and governance documents, resolutions, and certificates necessary to evidence that Seller (and the person or persons who execute closing documents on behalf of Seller) has the legal right and power and is authorized to sign closing documents and consummate the transactions contemplated by this Agreement.

(e) Seller will furnish Purchaser and the title company with appropriate evidence that all taxes on the Land and all personal property that comprise the Purchased Assets have been paid in full and none are delinquent. Seller will furnish Purchaser and the title company with an affidavit that Seller is not a foreign person for purposes of Internal Revenue Service FIRPTA regulations. Seller will furnish Purchaser with a Certificate of Compliance from the Alabama Department of Revenue showing no outstanding tax liabilities and showing the timely filing of all required state tax returns.

(f) Seller will execute and deliver to Purchaser an appropriate assignment of guaranties and warranties as to any guaranties or warranties that relate to the Tangible Personal Property or fixtures located on the Land.

(g) Seller and Purchaser will execute and deliver to the closing escrow agent the approved settlement statement of the closing escrow agent and will pay to such agent all amounts of money required by such statement to be paid by it. Seller shall pay in full all existing liens against the title to the Purchased Assets.

(h) Seller shall deliver to Purchaser possession of all the Purchased Assets on the Sale Effective Date.

(i) All proratable items in respect of the Purchased Assets shall be prorated between Seller and Purchaser as of the Sales Effective Date.

## **XI.**

### **Post-Closing Procedures, Rights, and Obligations**

11.1. **Further Assurances.** Seller, at the request and at the expense of Purchaser, will promptly execute and deliver, or cause to be executed and delivered, to Purchaser such conveyances, assignments, bills of sale, transfers, consents, and other instruments and documents in addition to those required by this Agreement, in form and substance reasonably satisfactory to Purchaser and its legal counsel, as Purchaser and/or its legal counsel may reasonably deem necessary or desirable to carry out or implement any provision of this Agreement.

11.2. **Possession of Purchased Assets.** On the Sale Effective Date, Seller shall deliver to Purchaser possession of the Purchased Assets.

11.3. **Access to and Use of Records.** Seller shall provide Purchaser with such further information regarding the Purchased Assets as Purchaser may reasonably request.

11.4. **Fees and Taxes.** Purchaser shall pay all recording fees and all sales and use taxes payable in connection with the sales, transfers, deliveries, and assignments to be made to Purchaser hereunder.

11.5. **Non-Competition by Seller.** To induce Purchaser to purchase and pay for the Purchased Assets, and in consideration thereof, Seller and the individual members and managers thereof shall not, and agree and obligate themselves not to, compete, directly or indirectly, with Purchaser in the Purchaser's continuation of the business previously conducted by Seller as Homewood of Greenville, provided that this covenant shall not apply to or restrict in any respect the operation by the individual members and managers of Seller of Park Place Nursing and Rehabilitation Center in Selma, Alabama, which is currently owned and operated by them. This covenant not to compete shall be applicable within 50 miles of the Business Facilities and shall exist for a term of 18 months from the Closing Date. Seller will assist Purchaser in Purchaser's relations with residents, customers, vendors, suppliers, and governmental officials.

11.6. **Payment of Debts.** Seller promises to promptly and fully pay all debts and liabilities of Seller and the Assisted Living Business that remain subsequent to the Closing Date and provide adequate proof of their payment to Purchaser, all within 30 days after the Closing Date.

## **XII.**

### **Miscellaneous**

12.1. **Bulk Sales Statutes.** Purchaser waives compliance with any Alabama bulk sales law and any other applicable bulk sales statutes that might be in effect, but Seller shall indemnify and save Purchaser harmless from, and protect and defend it against, any and all claims, demands, damages, liabilities, obligations, actions, causes of actions, suits, judgements, losses, injuries, costs, and expenses arising out of noncompliance with such laws in connection with the transaction contemplated by this Agreement.

12.2. **Survival of Representations, Warranties, Indemnities, Assumptions, Covenants, Rights, and Obligations.** The representations and warranties of Seller hereunder, the Seller Indemnity, the Seller Non-Competition Agreement, the Purchaser Assumption Agreement, and any and all covenants, rights, and obligations of any of the parties which by the terms of this Agreement are intended to survive, shall survive all investigations made by the parties, the Closing, and the delivery of all documents and instruments required thereby or involved therein.

12.3. **Prior Agreement Superseded.** This Agreement constitutes the entire agreements of the Parties and supersedes any prior understandings or written or oral agreements between the Parties respecting the subject matter hereof. No variations, amendments, modifications, or changes herein or hereof shall be binding upon the Parties unless set forth in a document duly and fully executed by the Parties. No Party is relying upon any agreement or representation not set forth or referenced herein whether the same may be oral or in writing.

12.4. **Counterparts.** This Agreement may be executed in any number of counterparts, no one of which need be executed by all parties in order to bind the signatory party, and each of which shall be deemed to be an original, and all of which together shall comprise but a single instrument. Separate signature pages may be consolidated and attached to the body of this Agreement and treated as an effective, valid, and enforceable document. This Agreement may be executed and/or delivered by

facsimile or by e-mail. Signatures and documents delivered by facsimile or e-mail shall be deemed to be original signatures and documents.

12.5. **Assignment of Benefits and Rights and Assumption of Duties and Burdens.** This Agreement shall inure to the benefit of, and be binding upon, Seller and Purchaser, their respective heirs, devisees, legatees, successors, legal representatives, and assigns. Purchaser shall have the right to assign this Agreement to a third party of its choice, and if such third party assumes all of Purchaser's obligations under this Agreement, Purchaser shall be released from all liabilities and obligations under this Agreement.

12.6. **Notices.** Any notice, request, instruction, demand, or other document required or permitted to be delivered under this Agreement shall be in writing and shall be deemed given for the purpose hereof upon the earlier to occur of:

- (a) actual receipt thereof by the Party to whom it is directed; or
- (b) three days after deposit in a receptacle maintained for such purposes by the United States Postal Service, registered or certified, postage prepaid, addressed as follows to the Parties as applicable:

To Purchaser: 3131 McKinney Avenue, Suite 475, Dallas, Texas 75204.

To Seller: 200 Sugarberry Hill, Wetumpka, Alabama 36092.

12.7. **Gender and Number.** Whenever used herein, the singular number shall include the plural, and the plural number shall include the singular, and the use of any gender shall include all other genders.

12.8. **Third Party Beneficiary.** This Agreement does not create any rights in any third person and nothing contained herein shall be deemed to establish any rights or benefits for any third person. No person not a Party to this Agreement has any "third party beneficiary" or other rights hereunder.

12.9. **Headings.** The headings of the articles, sections, paragraphs and subdivisions of this Agreement are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof. "Herein," "hereby," "hereunder," "hereof," and other equivalent words or phrases refer to this Agreement and not solely to the particular portion thereof in which any such word or phrase is used, unless otherwise clearly indicated by the context.

12.10. **Invalid Provisions.** In case any one or more of the covenants, agreements, terms, or provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, or provisions contained herein shall be in no way affected, prejudiced or disturbed thereby.

12.11. **Time.** Time is of the essence of this Agreement.

12.12. **Attorney Fees.** In the event suit is instituted by any Party for breach or default of any of the provisions of this Agreement, then and in that event, the Party prevailing in any action, in law or at equity, shall be entitled to reasonable attorneys' fees, expenses, court costs, and costs of litigation.

12.13. **Governing Law.** This Agreement shall be governed, controlled, construed, interpreted,

and enforced under and in accordance with the laws of the State of Alabama, without giving effect to the principles of conflict of laws of such state.

12.14. Broker Fee. Seller and Purchaser each represent to the other that it has no obligation or liability to any third party for a finder's, broker's, consultant's, agent's, or other fee, commission, compensation, or payment of any nature as a result of this Agreement and/or the transaction provided for herein and/or the negotiation thereof.

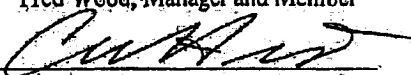
Executed as of the date set forth on page 1 of this Agreement.

(Signatures of the Parties Follow on the Next Page)


**SELLER:**

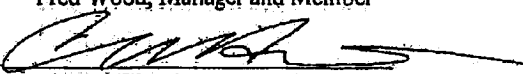
Wood Properties of Greenville, L.L.C.

By:   
Fred Wood, Manager and Member

By:   
Charles Hise, Manager and Member

Homewood of Greenville, L.L.C.

By:   
Fred Wood, Manager and Member

By:   
Charles Hise, Manager and Member

**PURCHASER:**

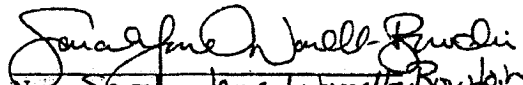
Pacrim US Landco LLC

By: \_\_\_\_\_  
Tony Lin, Manager

Received and Accepted by the Closing Escrow

Agent this 30<sup>th</sup> day of  
August, 2016

Republic Title of Texas, Inc.

  
Name: Sarah Jane Worrell-Bowdoin  
Title: Vice President

**SELLER:**

Wood Properties of Greenville, L.L.C.

By: \_\_\_\_\_  
Fred Wood, Manager and Member

By: \_\_\_\_\_  
Charles Hise, Manager and Member

Homewood of Greenville, L.L.C.

By: \_\_\_\_\_  
Fred Wood, Manager and Member

By: \_\_\_\_\_  
Charles Hise, Manager and Member

**PURCHASER:**

Pacrim US Landco LLC

By: \_\_\_\_\_  
Tony Lin, Manager

Received and Accepted by the Closing Escrow  
Agent this \_\_\_\_\_ day of  
\_\_\_\_\_, 2016

Republic Title of Texas, Inc.

\_\_\_\_\_  
Name:  
Title: