



John Lanier
DIRECT 205.254.1236
EMAIL JLanier@maynardcooper.com

September 30, 2019

VIA EMAIL, ORIGINAL TO FOLLOW
VIA HAND DELIVERY

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

**Re: Change of Ownership – Elmcroft of Halcyon, a Specialty Care Assisted
Living Facility**

Dear Ms. Marsal:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"), we respectfully submit the attached Notice of Change of Ownership. The Change of Ownership involves a sixteen (16) bed specialty care assisted living facility ("SCALF") located in Montgomery, Alabama, and known as Elmcroft of Halcyon (the "Facility"). Following is a summary of the proposed transaction:

I. Facts.

1. The current owner of the Facility is Halcyon Realty Propco, LLC, a Delaware limited liability company ("Current Owner"). The operator of the Facility is EC Opco Halcyon, LLC, a Delaware limited liability company ("Current Operator").
2. The Current Owner and the Current Operator are entering into a Purchase and Sale Agreement to sell the Facility to CHS Properties, Inc., an Alabama corporation, and Facility will be operated by Eastchase Senior Living, LLC, an affiliate of CHS Properties, Inc. ("New Owner/Operator").
3. The New Owner/Operator is filing, contemporaneously herewith, a change of ownership ("CHOW") license application with the Alabama Department of Public Health ("ADPH") to operate the Facility as a sixteen (16) bed SCALF.
4. The parties are seeking to consummate the above-described transaction by October 22, 2019.
5. The resulting "change in control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).

6. The change in control of the Facility will be documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

A. For a fair market price, Current Owner/Receiver will sell the land, building fixtures, and equipment comprising the Facility to New Owner. The proposed transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,997,918 for major medical equipment, (ii) \$1,199,166 for new annual operating costs, and (iii) \$5,995,836 for capital expenditures.

B. Other than the licensing of the Facility, this transaction does not involve any activities described in Alabama Code § § 22-21-263(a) (1), (2), (3), or (4) as requiring a certificate of need.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services by the Facility.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

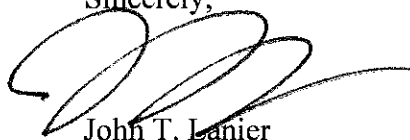
Other than described above, the transaction does not involve the acquisition of stock or assets relating to the operation of the Facility.

Based on the above showing that there has been no (i) change in health service, (ii) spending in excess of the spending thresholds, (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, I attach an executed change of ownership form, and the required fee in the amount of \$2,500.00 will be sent via overnight mail. The transaction is anticipated to close October 22, 2019.

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
September 30, 2019
Page 3 of 3

Should you have any questions or need further information, please contact me at 205-254-1236.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

John T. Lanier

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: 101-S5129
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Elmcroft of Halcyon Specialty Care
(ADPH Licensure Name)

Physical Address: 1775 Halcyon Boulevard
Montgomery, AL 36117

County of Location: MONTGOMERY

Number of Beds/ESRD Stations: 16

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: Halcyon Realty Propco, LLC attn: Ross Nemzin
353 North Clark Street, Suite 3300

Mailing Address: Chicago, Illinois 60654

Operator (Entity Name): EC Opco Halcyon, LLC

Part III: Acquiring Entity Information

Name of Entity: CHS Properties, Inc.

Mailing Address: 25819 Canal Road
Orange Beach, AL 36561

Operator (Entity Name): Eastchase Senior Living, LLC

Proposed Date of Transaction is
on or after: 10/22/2019

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 750,000.00

Type of Beds: SCALF

Number of Beds/ESRD Stations: 16

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: \$ 0.00

Projected Total Cost: \$ 0.00

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.

Halcyon Realty Propeco, LLC

Owner(s): EC Opco Halcyon, LLC

Operator(s): Jason S. Simmers, V.P.

Title/Date: September 27, 2019

SWORN to and subscribed before me, this 27 day of September, 2019.

(Seal)

Christa Stine
Notary PublicMy Commission Expires: 8/4/22**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): _____

Operator(s): _____

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):

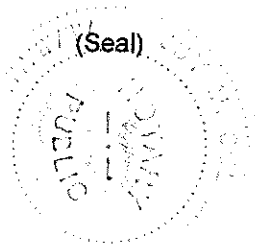
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s):

Operator(s):

Title/Date: PRESIDENT & CEO

SWORN to and subscribed before me, this 25th day of September, 2019.



Joy M. Solberg
Notary Public

My Commission Expires:

JOY M. SOLBERG
Notary Public, Alabama State At Large
My Commission Expires: Nov. 29, 2021

Author: Alva M. Lambert

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

History: New Rule

PURCHASE AND SALE AGREEMENT

TABLE OF CONTENTS

	<u>PAGE</u>
1. <u>SALE</u>	1
1.1. <u>Land</u>	1
1.2. <u>Improvements</u>	1
1.3. <u>Personal Property</u>	1
1.4. <u>Intangible Property</u>	2
1.5. <u>Business Records</u>	3
1.6. <u>Project Defined</u>	3
1.7. <u>Liabilities</u>	3
2. <u>PURCHASE PRICE</u>	3
2.1. <u>Earnest Money</u>	3
2.2. <u>Purchase Price</u>	4
2.3. <u>General</u>	4
3. <u>CLOSING</u>	4
3.1. <u>Closing Date</u>	4
4. <u>REVIEW AND APPROVAL; DISCLAIMER/RELEASE</u>	4
4.1. <u>Review</u>	4
4.2. <u>Purchaser's Undertaking</u>	5
4.3. <u>Confidentiality</u>	6
4.4. <u>Disclaimer</u>	6
4.5. <u>Release By Purchaser</u>	8
5. <u>TITLE AND SURVEY MATTERS</u>	9
5.1. <u>Title</u>	9
5.2. <u>Survey</u>	10
5.3. <u>Seller Cure Items</u>	10
5.4. <u>Seller's Termination</u>	11
5.5. <u>Purchaser Waiver</u>	11
5.6. <u>Cooperation</u>	11
6. <u>SELLER'S REPRESENTATIONS AND WARRANTIES</u>	12
6.1. <u>Ownership</u>	12
6.2. <u>Organization, Good Standing and Entity Authority</u>	12
6.3. <u>Authorization and Binding Effect of Documents</u>	12
6.4. <u>Absence of Conflicts</u>	12
6.5. <u>Financial Information, Absence of Any Undisclosed Liabilities</u>	12
6.6. <u>United States Person</u>	13
6.7. <u>Taxes</u>	13
6.8. <u>Title; Purchased Property Complete</u>	13
6.9. <u>Contracts</u>	13
6.10. <u>Litigation</u>	13

6.11.	<u>Compliance with Laws</u>	13
6.12.	<u>Third Party Payors</u>	14
6.13.	<u>Real Property</u>	14
6.14.	<u>Environmental Matters</u>	14
6.15.	<u>Patriot Act</u>	15
6.16.	<u>Insurance</u>	15
6.17.	<u>Inventory</u>	15
6.18.	<u>Employee & Labor Relations</u>	15
6.19.	<u>Employee Benefit Plan Matters</u>	16
7.	<u>PURCHASER'S REPRESENTATIONS AND WARRANTIES</u>	17
7.1.	<u>Organization, Good Standing and Entity Authority</u>	17
7.2.	<u>Absence of Conflicts</u>	17
7.3.	<u>Authorization and Binding Effect of Documents</u>	17
8.	<u>COVENANTS</u>	17
8.1.	<u>New Leases</u>	17
8.2.	<u>Maintenance of Property</u>	17
8.3.	<u>No Assignment</u>	18
8.4.	<u>Change in Conditions</u>	18
8.5.	<u>Transfer of Permits</u>	18
8.6.	<u>Employees</u>	18
8.7.	<u>Post-Closing Insurance</u>	18
8.8.	<u>Scope Letter Work</u>	19
9.	<u>CONDITIONS PRECEDENT TO CLOSING</u>	19
9.1.	<u>Conditions Precedent to Purchaser's Obligations</u>	19
9.2.	<u>Conditions Precedent to Seller's Obligations</u>	19
10.	<u>SELLER'S CLOSING DELIVERIES</u>	20
10.1.	<u>Deed</u>	20
10.2.	<u>Bill of Sale</u>	20
10.3.	<u>General Assignment</u>	20
10.4.	<u>Lease and Management Agreement Termination</u>	20
10.5.	<u>Business Records</u>	20
10.6.	<u>ALTA Statement</u>	20
10.7.	<u>Original Documents</u>	21
10.8.	<u>Closing Statement</u>	21
10.9.	<u>Plans and Specifications</u>	21
10.10.	<u>Entity Transfer Certificate</u>	21
10.11.	<u>Closing Certificate</u>	21
10.12.	<u>Transfer Tax Returns</u>	21
10.14.	<u>Other</u>	21
11.	<u>PURCHASER'S CLOSING DELIVERIES</u>	21
11.1.	<u>Purchase Price</u>	21
11.2.	<u>General Assignment</u>	21

11.3.	<u>Closing Certificate</u>	21
11.4.	<u>Closing Statement</u>	22
11.5.	<u>Transfer Tax Returns</u>	22
11.6.	<u>Other</u>	22
12.	<u>PRORATIONS AND ADJUSTMENTS</u>	22
12.1.	<u>Rents</u>	22
12.2.	<u>Real Estate Taxes</u>	22
12.3.	<u>Utilities</u>	22
12.4.	<u>Contracts</u>	23
12.5.	<u>Other</u>	23
13.	<u>CLOSING EXPENSES</u>	23
14.	<u>DESTRUCTION, LOSS OR TAKING OF PROPERTY</u>	23
14.1.	<u>Casualty</u>	23
14.2.	<u>Condemnation</u>	24
14.3.	<u>Loss of Value Exceeding Thresholds</u>	24
14.4.	<u>Valuation Disputes</u>	24
15.	<u>DEFAULT AND INDEMNIFICATION</u>	25
15.1.	<u>Default by Seller</u>	25
15.2.	<u>Default by Purchaser</u>	25
15.3.	<u>Indemnification by Seller</u>	25
15.4.	<u>Indemnification by Purchaser</u>	26
15.5.	<u>Indemnification Limits; Survival</u>	26
15.6.	<u>Procedures Regarding Third Party Claims</u>	27
16.	<u>SUCCESSORS AND ASSIGNS; TAX-DEFERRED EXCHANGE/ REVERSE EXCHANGE</u>	28
16.1.	<u>Assignment</u>	28
16.2.	<u>Tax-Deferred Exchange/Reverse Exchange</u>	28
16.3.	<u>Seller 1031 Exchange</u>	29
17.	<u>SURVIVAL</u>	29
18.	<u>BROKERAGE</u>	29
19.	<u>MISCELLANEOUS</u>	29
19.1.	<u>Litigation</u>	29
19.2.	<u>Notices</u>	29
19.3.	<u>Benefit</u>	30
19.4.	<u>Limitation Of Liability</u>	31
19.5.	<u>Reasonable Efforts</u>	31
19.6.	<u>Entire Agreement</u>	31
19.7.	<u>Legal Holidays</u>	31
19.8.	<u>Conditions Precedent</u>	31
19.9.	<u>Construction</u>	32

19.10.	<u>Governing Law; Venue; WAIVER OF JURY TRIAL</u>	32
19.11.	<u>Partial Invalidity</u>	32
19.12.	<u>Permitted Termination</u>	32
19.13.	<u>Execution</u>	32

SCHEDULES AND EXHIBITS

Schedule 1.4	Permits
Schedule 4.1	Due Diligence Materials
Schedule 6	Disclosure Schedule
Schedule 6.5	Operating Statements
Schedule 6.14	Environmental Matters
Schedule 6.16	Project Insurance Policies
Schedule 8.5	Purchaser Permits
Exhibit A	Land
Exhibit B	Earnest Money Escrow Instructions
Exhibit C	ALTA Statement and GAP Undertaking
Exhibit D	Deed
Exhibit E	Bill of Sale
Exhibit F	Lease Assignment
Exhibit G	Contracts
Exhibit H	Non-Assumable Contracts
Exhibit I	Contract Assignment
Exhibit J	Intangible Assignment

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is made and entered into this September [●], 2019 (the “**Effective Date**”), by **HALCYON REALTY PROPCO, LLC**, a Delaware limited liability company (“**PropCo**”) and **EC OPCO HALCYON, LLC**, a Delaware limited liability company (“**Operator**” and, collectively with PropCo, “**Seller**”), and **CHS PROPERTIES, INC.**, an Alabama corporation (“**Purchaser**”).

RECITALS

WHEREAS, PropCo owns the real property constituting the facility (as applicable) commonly known as "Elmcroft of Halcyon" located at 1775 Halcyon Boulevard, Montgomery, AL 36117 and Operator owns certain personal property and operational assets used in the operation of such facility (the “**Facility**”); and

WHEREAS, PropCo has leased real property portion of the Facility to Operator, an affiliate of PropCo, pursuant to that certain Lease and Security Agreement (the “**Lease**”) between PropCo and Operator dated January 21, 2018; and

WHEREAS, Seller desires to sell, transfer, convey and assign to Purchaser, and Purchaser desires to acquire, assume and accept from Seller, the Facility on and subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the parties hereto agree to incorporate the foregoing recitals as if the same were more particularly set forth in the body of this Agreement and further agree as follows:

1. **SALE**. Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, for the purchase price set forth below, and on the terms and conditions set forth in this Agreement, the Property (as defined below). For purposes of this Agreement, the term “**Property**” shall be deemed to mean on a collective basis all of Seller’s right title and interest in and to the following:

1.1. **Land**. The parcel(s) of land legally described on **Exhibit A** attached hereto and made a part hereof, together with all rights, easements and interests appurtenant thereto (collectively, the “**Land**”).

1.2. **Improvements**. All improvements located on the Land, including the Facility, and all other structures, systems, fixtures and utilities associated with, and utilized in, the ownership and operation of the Facility on the Land (all such improvements being collectively referred to as the “**Improvements**”, and with the Land, the “**Real Property**”).

1.3. **Personal Property**. All personal property (excluding personal property owned by residents) located on or in the Facility, and used exclusively in connection with the ownership, operation and maintenance of the Property (collectively, the “**Personal Property**”). The Personal Property and any other Property shall not include personal property owned by

Operator's property manager, Eclipse Portfolio Operations LLC, a Delaware limited liability company ("**Facility Manager**") (e.g. policy and procedure manuals, training materials, marketing collateral, plans of operation and the like) and shall not include personal property owned by a third party and leased to Seller unless such lease is an Assumed Contract, in which case Seller's leasehold interest in such personal property shall constitute Personal Property.

1.4. Intangible Property. Any and all intangible property owned by Seller and used exclusively in connection with the ownership and operation of the Facility (collectively, the "**Intangibles**"), including, without limitation, any and all of the following owned by Seller: (i) the interest, if any, of Seller in the identity or business of the Facility as a going concern, (excluding any names or trade names by which the Facility or any part thereof may be known); (ii) to the extent assignable or transferable, the interest, if any, of Seller in and to each and every bond, guaranty and warranty concerning the Facility and the Personal Property, including, without limitation, any roofing, air conditioning, heating, elevator or other bond, guaranty and warranty relating to the construction, maintenance or replacement of the Facility or any portion thereof; (iii) to the extent assignable or transferable, the interest of Seller in and to all guaranties and warranties given to Seller that have not expired (either on a "claims made" or occurrence basis) in connection with the operation, construction, improvement, alteration or repair of the Facility; (iv) to the extent assignable or transferable, the interest, if any, of Seller in only those of the Permits (as defined below) that are identified as "**Assumed Permits**" on **Schedule 1.4** attached hereto and made a part hereof; (v) to the extent assignable or transferable, the interest, if any, of Seller in only those of the Service Contracts (as defined below) that are identified as "**Assumed Contracts**" on **Exhibit G** attached hereto and made a part hereof; and (vi) Seller's interest in all resident occupancy agreements in force as of the date of Closing (the "**Resident Agreements**"). For purposes of this Agreement, the term "**Permits**" shall mean any and all licenses, Health Facility Licenses (as defined below), permits, accreditations, approvals and certificates used in or relating to the ownership, occupancy or operation of all or any part of the Facility that are held, issued to or controlled by Seller. "**Health Facility Licenses**" shall mean any permit, license, accreditation, or other approval necessary under applicable federal, state or local law in order to permit the ownership of the Project by Purchaser, including, without limitation the Certificate of Need issued by the State Health Planning & Development Agency for the Facility's specialty care assisted living facility and the licenses issued by the Alabama Department of Public Health for the operation of the Facility's specialty care assisted living facility and assisted living facility. The parties acknowledge that (i) all references in this Agreement to Purchaser with respect to any Permits shall mean Purchaser or any Affiliate of Purchaser designated by Purchaser as its designee for purposes of taking title to any Project hereunder, and (ii) all references in this Agreement to "**Affiliate**" shall mean, with respect to any person, any other person directly or indirectly controlling (including, but not limited to, all partners, directors, officers and members of such person), controlled by or under direct or indirect common control with any such person. (A person shall be deemed to control a corporation, a partnership, a trust, or a limited liability company if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.) For purposes of this Agreement, the term "**Service Contracts**" means all service, maintenance, management, commission, union and other contracts in connection with the Property set forth on **Exhibit G** hereto (collectively, "**Service Contracts**"). Seller agrees that it shall terminate any terminable Service Contracts as of the Closing Date if requested to do

so in writing by Purchaser prior to the expiration of the Inspection Period. Seller has requested that Purchaser assume those Service Contracts designated as Assumed Contracts on **Exhibit G**. Purchaser will provide notice to Seller during the Inspection Period as to which Service Contracts it will agree to assume, and **Exhibit G** will be amended accordingly.

1.5. Business Records. All of the following (collectively, the “**Business Records**”) maintained by, issued to or held by Seller relating exclusively to the Facility: books and records relating to the Facility or the ownership thereof, including, without limitation, files, invoices, correspondence, studies, reports or summaries relating to any environmental matters, and other books and records relating to the ownership or maintenance of the Facility, surveys, engineering or environmental reports and other studies, investigations or depictions of the Facility. The Business Records and any other Property shall not include employee/personnel files for employees no longer employed at the Facility and employees not hired by Purchaser, and resident files for residents not residing in the Facility at Closing.

1.6. Project Defined. The Facility, together with the Land, Improvements, Personal Property, Intangibles and the Business Records is referred to as the “**Project.**”

1.7. Liabilities. Purchaser hereby assumes only executory obligations under the Assumed Contracts with respect to periods after the Closing Date (except to the extent such obligations arose from a breach or default thereunder prior to the Effective Time) (the “**Assumed Liabilities**”). Except with respect to the Assumed Liabilities and Permitted Exception only, Purchaser is not hereby assuming, or taking subject to, or in any other manner whatsoever becoming responsible or obligated for, and Purchaser hereby disclaims, any and all liabilities or obligations of any kind whatsoever of Seller, the Project, or any of the Property, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, matured or unmatured, determinable or otherwise, or whether or not disclosed on the schedules or exhibits hereto.

2. PURCHASE PRICE.

2.1. Earnest Money. Simultaneously with execution and delivery of this Agreement, Seller and Purchaser shall execute and deliver to the other and to the Title Company (as defined herein) an escrow agreement in form and substance of **Exhibit B** (the “**Escrow Agreement**”). Not later than two business days after Purchaser’s receipt of the Escrow Agreement signed by Seller and the Title Company, Purchaser shall deposit, as its earnest money deposit, an amount equal to \$75,000.00 (as applicable, the “**Earnest Money**”) to be held by the Title Company pursuant to the joint order escrow of Seller and Purchaser pursuant to the terms of the Escrow Agreement. The Earnest Money shall be held in a non interest-bearing account and disbursed pursuant to the Escrow Agreement and the terms of this Agreement. The Earnest Money, together with all interest earned thereon, is herein referred to as the “**Deposit.**” The Deposit shall be credited against the Purchase Price at the Closing. If, pursuant to the terms of this Agreement, all or any portion of the Deposit is required to be disbursed to Seller or Purchaser on or after the Effective Date then each of Seller and Purchaser shall promptly issue a written direction to the Title Company to make such disbursement.

2.2. Purchase Price. The total purchase price (the "**Purchase Price**") for the Property shall be an amount equal to \$750,000.00. During the Inspection Period and as a Condition (as defined in Paragraph 9 below), the parties shall mutually and reasonably agree on the portion of the Purchase Price for the Facility that shall be allocated to the various asset classes, and the parties agree to file all income tax returns consistent with such allocation.

2.3. General. Provided that all conditions precedent to Purchaser's obligations to close that are set forth in this Agreement have been satisfied and fulfilled, or waived by Purchaser, the Purchase Price shall be paid by Purchaser to Seller at Closing, plus or minus prorations and other adjustments hereunder by federal wire transfer of immediately available funds.

3. CLOSING.

3.1. Closing Date. The purchase and sale contemplated herein shall be consummated at a closing ("**Closing**") to take place through a closing escrow established with the Title Company (as defined below); it being understood that neither party need personally attend the Closing and may deliver its closing deposits to the Title Company by overnight courier, messenger or other appropriate delivery. Unless otherwise agreed by the parties in writing, the Closing shall occur prior to 12:00 P.M. Chicago time on the date that is two (2) business days following the date that Purchaser receives the Purchaser Permits (as defined in **Section 8.5** below) (the "**Closing Date**"). If the Purchaser Permits have not been received by October 22, 2019 (the "**Outside Date**"), either party may terminate this Agreement upon written notice to the other party on or after that date and provided that such failure to obtain the Purchaser Permits prior to the Outside Date is not caused by Purchaser's breach of its obligations under this Agreement regarding the Purchaser Permits, the Earnest Money will be promptly returned to Purchaser, and neither party will have any further obligation or liability to the other party under this Agreement except for those obligations and liabilities that expressly survive the termination of this Agreement. The Closing shall be effective as of 12:01 A.M. on the Closing Date. Notwithstanding the foregoing, the risk of loss of all or any portion of the Property shall be borne by Seller up to and including the actual time of the Closing and wire transfer of the Purchase Price to Seller, and thereafter by Purchaser, subject, however, to the terms and conditions of **Section 12** below.

4. REVIEW AND APPROVAL; DISCLAIMER/RELEASE.

4.1. Review As of the execution of this Agreement by Purchaser, Seller has delivered, caused to be delivered, or made available to Purchaser the materials listed on **Schedule 4.1** (collectively, the "**Due Diligence Materials**"), to the extent such Due Diligence Materials are in Seller's possession or can be obtained by Seller for no cost or for a nominal cost for duplication or delivery. At all times prior to Closing, including times following the "**Inspection Period**" (which Inspection Period is defined to be the period through and including September 20, 2019), Purchaser and Purchaser's employees, third party consultants, lenders, engineers, accountants and attorneys (collectively, the "**Purchaser's Representatives**") shall be entitled to conduct a "**Project Inspection**" of the Property, which will include the rights to: (i) enter upon the Land and Improvements, during regular business hours, to perform inspections and tests of the Land and the Improvements, (ii) make investigations with regard to the environmental condition of the Land and the Improvements and the compliance by the Land and the Improvements with all applicable

laws, ordinances, rules and regulations, (iii) interview a representative of the Facility Manager with respect to its current and prospective occupancy of the Facility provided that a representative of Seller is in attendance throughout such interview, which representatives shall be made reasonably available for such purposes; and (iv) review the Business Records with the Facility Manager. Purchaser shall provide not less than two business days' prior notice to Seller before conducting any investigations, study, interview or test to or at the Land and the Improvements. If Purchaser determines that the results of any inspection, test, examination or review meet Purchaser's criteria, in its sole discretion, for the purchase, financing or operation of the Property in the manner contemplated by Purchaser, then Purchaser shall deliver notice of such approval (an "**Approval Notice**") not later than 5:00 p.m. Central Time on the last day of the Inspection Period (the "**Approval Date**"), whereupon Purchaser shall be automatically deemed to have forever waived its right to terminate this Agreement pursuant to this **Section 4.1**, and the Property shall be deemed acceptable to Purchaser. If Purchaser fails to timely deliver an Approval Notice, then Purchaser shall be deemed to have elected to terminate this Agreement, whereupon this Agreement shall terminate, the Deposit shall be returned to Purchaser and neither party shall have any further liabilities or obligations hereunder, except for those liabilities and obligations that expressly survive a termination of this Agreement. If the Effective Date is after the Approval Date, Purchaser will be deemed by its execution of this Agreement to have delivered an Approval Notice.

4.2. Purchaser's Undertaking. Purchaser hereby covenants and agrees that it shall cause all studies, investigations and inspections performed at the Land or the Improvements to be performed in a manner that does not unreasonably disturb or disrupt the tenancies or business operations of the Operator. Purchaser shall not conduct (or cause to be conducted) any physically intrusive investigation, examination or study of the Land or the Improvements (any such investigation, examination or study, an "**Intrusive Investigation**") as part of its Project Inspection or otherwise without obtaining the prior written consent of Seller. In the event Purchaser desires to conduct (or cause to be conducted) any Intrusive Investigation of the Land or the Improvements, such as sampling of soils, other media, building materials, or the other comparable investigation, Purchaser will provide a written scope of work to Seller describing exactly what procedures Purchaser desires to perform. Seller may withhold its consent to any Intrusive Investigation of the Land or the Improvements in its sole discretion. Purchaser and Purchaser's Representatives shall, in performing its Project Inspection, comply with the agreed upon procedures and with any and all laws, ordinances, rules, and regulations applicable to any or all of such procedures, the Land and the Improvements. Neither Purchaser nor Purchaser's Representatives shall report the results of the Project Inspection to any Governmental Authority under any circumstances without obtaining Seller's express written consent, which consent may be withheld in Seller's sole discretion. Purchaser and Purchaser's Representatives shall: (a) maintain comprehensive general liability (occurrence) insurance in an amount of not less than \$1,000,000 covering any accident arising in connection with the presence of Purchaser and Purchaser's Representatives at the Land and the Improvements and the performance of any investigations, examinations or studies thereon, and shall deliver a certificate of insurance (in form and substance reasonably satisfactory to Seller), naming each of Seller and Facility Manager as an additional insured thereunder, verifying the existence of such coverage to Seller prior to entry upon the Land or the Improvements; and (b) promptly pay when due any third party costs associated with its Project Inspection. Purchaser shall, at Purchaser's sole cost, repair any damage to the Land or the Improvements resulting from the Project Inspection, and, to the extent Purchaser or Purchaser's Representatives alter, modify,

disturb or change the condition of the Land or the Improvements as part of the Project Inspection or otherwise, Purchaser shall, at Purchaser's sole cost, restore the Land and the Improvements to the condition in which the same were found before such alteration, modification, disturbance or change. Purchaser's undertakings pursuant to this **Section 4.2** shall indefinitely survive a termination of this Agreement or the Closing and shall not be merged into any instrument of conveyance delivered at Closing. For purposes of this Agreement, "**Governmental Authority**" means any government, any governmental or quasi-governmental entity, department, commission, board, bureau, agency or instrumentality, and any court, tribunal or judicial body, in each case whether federal, state, county, provincial, local or foreign.

4.3. Confidentiality. Purchaser agrees to maintain in confidence the information and terms contained in the Evaluation Materials (defined below) and this Agreement (collectively, the "**Transaction Information**"). Purchaser shall not, under any circumstances, disclose all or any portion of the Transaction Information to any person or entity and shall maintain the Transaction Information in the strictest confidence; provided, however, that Purchaser may disclose the Transaction Information: (a) to Purchaser's Representatives to the extent that Purchaser's Representatives reasonably need to know such Transaction Information in order to assist, and perform services on behalf of, Purchaser; (b) to the extent required by any applicable statute, law, regulation or Governmental Authority; and (c) in connection with any litigation that may arise between the parties in connection with the transactions contemplated by this Agreement. Purchaser shall advise Purchaser's Representatives of the provisions of this **Section 4.3** and cause such parties to maintain the Transaction Information as confidential information and otherwise comply with the terms of this **Section 4.3**. For purposes of this Agreement, the term "**Evaluation Materials**" shall mean the documents and any other materials or information delivered or made available by Seller or its agents to Purchaser or Purchaser's Representatives together with (i) all analyses, compilations, studies or other documents prepared by (or on behalf of) Purchaser, which contain or otherwise reflect such information or materials and (ii) the results of any studies, analysis or investigation of the Property undertaken by or on behalf of Purchaser. Purchaser agrees that the Evaluation Materials shall be used solely for purposes of evaluating the acquisition and potential ownership and operation of the Property. Notwithstanding anything contained herein to the contrary, it is understood and agreed that money damages would not be a sufficient remedy for any breach of this **Section 4.3** by Purchaser or Purchaser's Representatives and that Seller shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach of this **Section 4.3** by Purchaser or Purchaser's Representatives. Purchaser further agrees to waive any requirement for the security or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this **Section 4.3** but shall be in addition to Seller's remedies under Section 15.2, which remedies shall collectively be Seller's sole and exclusive remedies for such breach. In the event this Agreement is terminated for any reason whatsoever, Purchaser shall promptly (and in any event within three business days after the effective date of termination) return to Seller the Evaluation Materials. The undertakings of Purchaser pursuant to this **Section 4.3** shall survive the termination of this Agreement.

4.4. Disclaimer. EXCEPT AS SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT (AS DEFINED BELOW), PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES

AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE FACILITY AND PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE FACILITY AND PROPERTY OR THE EXPENSES OR OPERATIONS OF THE FACILITY AND PROPERTY, (C) THE SUITABILITY OF THE FACILITY AND PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE FACILITY AND PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL ENTITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE FACILITY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE FACILITY AND PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE FACILITY AND PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE FACILITY AND PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS (OTHER THAN AS SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) AND ANY CLOSING DOCUMENT) REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE FACILITY, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATIONS AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE FACILITY AND PROPERTY, EXCEPT AS SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE FACILITY AND PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE FACILITY AND PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THE SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATIONS OR VERIFICATIONS OF SUCH INFORMATION AND, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT, MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. EXCEPT AS PROVIDED IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO), SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE FACILITY AND PROPERTY, OR THE OPERATIONS THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT,

EMPLOYEE, SERVANT OR OTHER PERSON OTHER THAN AS SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE FACILITY AND PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT THE FACILITY AND PROPERTY ARE SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. PURCHASER ACKNOWLEDGES THAT SELLER MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE COMPLETENESS OR ACCURACY OF ANY MATERIALS MADE AVAILABLE TO PURCHASER FOR INSPECTION EXCEPT FOR ANY REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT.

4.5. Release By Purchaser. PURCHASER HEREBY AGREES THAT, EXCEPT AS OTHERWISE SET FORTH OR PROVIDED IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT, AS OF THE CLOSING, SELLER AND EACH OF ITS PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, FACILITY MANAGER, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "**SELLER RELEASEES**") SHALL BE, AND ARE HEREBY, FULLY AND FOREVER RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITIES, INCLUDING, WITHOUT LIMITATION, STRICT LIABILITIES, LOSSES, CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, THE "**PURCHASER'S CLAIMS**") WITH RESPECT TO ANY AND ALL PURCHASER'S CLAIMS, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE FACILITY AND PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE FACILITY AND PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (I) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE FACILITY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE FACILITY, (II) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE FACILITY, (III) ANY AND ALL MATTERS RELATED TO THE FACILITY AND PROPERTY OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE FACILITY AND PROPERTY AND EACH PART THEREOF, AND (IV) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS CONTAINING MATERIALS IN, ON OR ABOUT THE

FACILITY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE FACILITY; PROVIDED, HOWEVER, NOTWITHSTANDING ANYTHING IN SECTION 4.4, THIS SECTION 4.5 OR ANY OTHER PROVISION SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR ANY OTHER CLOSING DOCUMENT TO THE CONTRARY, IN NO EVENT SHALL SELLER RELEASEES BE RELEASED FROM CLAIMS OR LOSSES ARISING UNDER THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT (OR THE SCHEDULES OR EXHIBITS HERETO) OR IN ANY CLOSING DOCUMENT, PURCHASER HEREBY WAIVES AND AGREES NOT TO COMMENCE ANY ACTION, LEGAL PROCEEDING, CAUSE OF ACTION OR SUITS IN LAW OR EQUITY, OF WHATEVER KIND OR NATURE, DIRECTLY OR INDIRECTLY, AGAINST THE SELLER RELEASEES OR THEIR AGENTS IN CONNECTION WITH THE RELEASED PURCHASER'S CLAIMS DESCRIBED ABOVE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING AND SHALL NOT BE DEEMED MERGED INTO ANY INSTRUMENT OR CONVEYANCE DELIVERED AT THE CLOSING. THE RELEASE PROVIDED IN THIS SUBSECTION SHALL SPECIFICALLY APPLY WHETHER OR NOT ANY OF THE FOREGOING IS ATTRIBUTABLE, IN WHOLE OR IN PART, TO THE NEGLIGENCE OF SELLER OR ANY OTHER SELLER RELEASEE; PROVIDED, HOWEVER, THAT THE FOREGOING RELEASE SHALL NOT IN ANY INSTANCE APPLY TO THE EXTENT THAT ANY OF THE FOREGOING (OR ANY CLAIM OTHERWISE RELEASED OR SOUGHT TO BE RELEASED HEREBY) IS ATTRIBUTABLE TO THE GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT OF THE SELLER OR ANY OTHER SELLER RELEASEE.

5. TITLE AND SURVEY MATTERS.

5.1. **Title.** Seller has delivered to Purchaser any current policy of title insurance regarding the Property in Seller's possession or reasonable control (the "**Existing Policy**"). As a condition precedent to Purchaser's obligation to proceed to Closing, Chicago Title Insurance Company (the "**Title Company**") shall issue the Title Policies to Purchaser at Closing insuring Purchaser as the fee simple owner of all of the Land and the Improvements in the full amount of the Purchase Price, subject only to the Permitted Exceptions and such other title matters (if any) that Purchaser is willing to accept in its sole and absolute discretion. The Property shall be sold and is to be conveyed, and the Purchaser agrees to purchase the Property, subject only to Permitted Exceptions (as defined below). Seller Cure Items (as defined below) and such matters as the Seller has agreed in writing shall not be Permitted Exceptions in response to a title objection notice from Purchaser. "**Permitted Exceptions**" means (but without limiting Purchaser's rights pursuant to **Section 15.3** below):

(i) All real estate taxes and water and sewer charges not due and payable as of the Closing Date, subject to adjustment as hereinafter provided.

(ii) All applicable statutes, laws, ordinances, rules, regulations, requirements and codes, including, without limitation, those regarding zoning, building, landmark designation, fire, health, safety, zoning, environmental, subdivision, water quality, sanitation controls and the Americans with Disabilities

Act ("**Laws**") of all federal, state, county, city, municipal and/or other governmental departments and authorities (separately and collectively, the "**Authorities**") having jurisdiction over, against or affecting the Property on the Closing Date.

(iii) Rights, if any, relating to the construction and maintenance in connection with any public utility wires, poles, pipes, conduits and appurtenances thereto, on, under or across the Property.

(iv) Any statement of facts which would be shown on or by an accurate current survey of the Property (collectively, "**Facts**").

(v) Rights and interests held by tenants, as tenants only, under the Leases and Resident Agreements in effect at Closing (and any non-disturbance agreements and memorandum of lease relating thereto of record) with no rights of first refusal or purchase options to purchase the Property or any part thereof.

(vi) The standard conditions and exceptions to title contained in the form of title policy or "marked-up" title commitment issued to Purchaser by the Title Company.

(vii) Any liens, encumbrances or other title exceptions reflected on the Existing Policy.

(viii) All Assumed Contracts.

(ix) Any lien or encumbrance arising out of the acts or omissions of Purchaser.

5.2. Survey. Seller has delivered or made available to Purchaser a copy of an existing survey of the Land relating to the Facility (the "**Survey**"). Any updates of the Survey, including, but not limited to recertification thereof, or any new survey (any such new or updated survey, an "**Updated Survey**") shall be the sole responsibility of Purchaser.

5.3. Seller Cure Items. Purchaser shall be entitled to object to any matters of title or survey that would materially and adversely affect title to, or the value or operations of, the Property by sending Seller a written title objection notice no later than two (2) business days after becoming aware of any such matter. Within two (2) business days thereafter, Seller shall respond to such title objection notice and identify those items that Seller agrees to cure and those items Seller refuses to cure, and the failure to respond with respect to any item shall be deemed Seller's refusal to cure such item. If Purchaser does not terminate this Agreement after the receipt of such notice from Seller, then all items that Seller shall have refused to cure shall be Permitted Exceptions. At or prior to the Closing, the Seller shall deliver releases in form and content reasonably satisfactory to Purchaser and the Title Company of (i) any liens encumbering the Property affirmatively placed on the Property after the Effective Date of this Agreement by the Seller or any person or entity claiming by, through or under Seller and (ii) any other items that Seller shall have agreed to cure in response to a title objection notice from Purchaser (collectively,

the “**Seller Cure Items**”). Other than as set forth above, the Seller shall not be required to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefor, nor shall the Purchaser have any right of action against the Seller, at law or in equity, for the Seller’s inability to convey title subject only to the Permitted Exceptions.

5.4. Seller’s Termination. Without waiving or modifying Seller’s obligations under **Section 5.3** above, if Seller is unable to convey title subject only to the Permitted Exceptions, then Seller shall promptly give Purchaser notice of the same prior to the Closing Date. Promptly following such notice by Seller, Purchaser shall give notice to Seller whether Purchaser is willing (in Purchaser’s sole and absolute discretion) to waive objection to each title exception which is not a Permitted Exception. If Purchaser does not provide Seller with notice of its desire to waive any such title exception which is not a Permitted Exception, then Purchaser shall have been deemed not to have waived such exception. With respect to each title exception which is not a Permitted Exception that Purchaser does not waive, Seller shall have the right, in Seller’s sole and absolute discretion, to (i) take such action as Seller shall deem advisable to attempt to discharge each such title exception which is not a Permitted Exception or (ii) terminate this Agreement. In the event that Seller shall elect to attempt to discharge such title exceptions which are not Permitted Exceptions, Seller shall be entitled to one or more adjournments of the Closing Date for a period not to exceed 30 days in the aggregate to a date that is reasonably acceptable to both Purchaser and Seller. If, for any reason whatsoever, Seller has not discharged such title exceptions which are not Permitted Exceptions prior to the expiration of the last of such adjournments, and if Purchaser is not willing to waive objection to such title exceptions, this Agreement shall be terminated as of the expiration of the last of such adjournments. In the event of a termination of this Agreement pursuant to this **Section 5.4** due to Seller’s failure to remove any Seller Cure Items, the Earnest Money shall be refunded to Purchaser, Seller shall reimburse Purchaser for its out of pocket costs, expenses and fees (including attorney’s fees) in the performance of its due diligence hereunder, including all fees to obtain the Purchaser Permits, not to exceed \$100,000, and neither party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement. Nothing in this **Section 5.4** shall require Seller, despite any election by Seller to attempt to discharge any title exceptions, to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefor other than as required pursuant to **Section 5.3** above.

5.5. Purchaser Waiver. Notwithstanding the foregoing provisions of this **Section 5**, Purchaser may (without any obligation to do so), by notice given to Seller at any time prior to the earlier of (x) the Closing Date and (y) the termination of this Agreement, elect (in Purchaser’s sole and absolute discretion) to accept such title as Seller can convey, notwithstanding the existence of any title exceptions which are not Permitted Exceptions. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against the Seller for damages or otherwise by reason of the existence of any title exceptions which are not Permitted Exceptions, provided that Seller shall be obligated to cause the Seller Cure Items to be removed from the Title Policies.

5.6. Cooperation. In connection with obtaining the Title Policy, the Purchaser and the Seller, as applicable, and to the extent requested by the Title Company, will deliver the

Title Company (a) evidence sufficient to establish (i) the legal existence of the Purchaser and the Seller and (ii) the authority of the respective signatories of the Seller and the Purchaser to bind the Seller and the Purchaser, as the case may be; (b) a certificate of good standing of the Seller; (c) if required, a title affidavit and/or gap undertaking in the forms attached hereto as **Exhibit C**; and (d) all state required forms typical in a commercial sale in the State of Alabama.

6. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller represents and warrants to Purchaser that the following matters are true as of the Effective Date and shall be true as of the Closing Date, except as otherwise indicated on **Schedule 6** (the "**Disclosure Schedule**"):

6.1. Ownership. Seller is the owner of the Land and Improvements thereon.

6.2. Organization, Good Standing and Entity Authority. Seller is duly organized, validly existing and in good standing under the laws of the state in which it was formed and has all requisite authority to own and operate its properties and carry on its business.

6.3. Authorization and Binding Effect of Documents. Seller has all requisite power and authority to enter into this Agreement and will, prior to Closing, have all requisite power and authority to enter into the closing documents hereunder or delivered in connection herewith (the "**Closing Documents**") to which it is a party and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action on the part of Seller and the execution and delivery of each of the Closing Documents by Seller and the consummation by Seller of the transactions contemplated by this Agreement and the Closing Documents have been, or will be prior to Closing, duly authorized by all necessary action on the part of Seller. This Agreement has been, and each of the Closing Documents at or prior to Closing will be, duly executed and delivered by Seller. This Agreement constitutes (and each of the Closing Documents, when executed and delivered, will constitute) the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity, whether applied by a court of law or of equity.

6.4. Absence of Conflicts. The execution, delivery and performance by Seller of this Agreement and the other Closing Documents, and consummation by Seller of the transactions contemplated hereby and thereby, do not and will not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in a violation of, (iv) give any third party the right to modify, terminate or accelerate any obligation under, the provisions of any organizational documents of Seller (or its Affiliates), any laws or regulations to which Seller (or its Affiliates) is subject, or any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Seller (or its Affiliates) are subject.

6.5. Financial Information, Absence of Any Undisclosed Liabilities. To Seller's knowledge, the financial and operating statements with respect to the Project delivered by Seller to Purchaser and listed on or attached to **Schedule 6.5** hereto (the "**Operating Statements**") are true, accurate and complete copies thereof in all material respects. To Seller's Knowledge, the Operating Statements fairly present the results of the operations of the Facility in all material

respects for the periods covered. To Seller's knowledge, there are no liabilities of Seller or the Facility, other than liabilities disclosed in the Operating Statements or in the **Disclosure Schedule**.

6.6. United States Person. Seller is a "United States Person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

6.7. Taxes. Seller has filed when due or will file when due any Tax returns for all periods ending on or prior to the Closing Date which are required to be filed Seller, or any affiliate of Seller with respect to the Project, on or prior to the Closing Date. Seller has paid in full any and all Tax obligations of Seller that are due and payable as of the Effective Date, and shall timely pay in full any and all other Tax obligations of Seller that are due and payable as of the Closing Date, in each case which could result in any liability or Losses to Purchaser or a lien on the Project. Seller has received no notice of the pendency of any audit of any of Seller's federal, state, local income, sales use or property Tax returns and, to Seller's knowledge, no such audit has been threatened. For purposes of this Agreement, "**Tax**" or "**Taxes**" means any federal, state, county, provincial, local or foreign income, gross receipts, sales, use, ad valorem, employment, severance, transfer, gains, profits, excise, franchise, property, capital stock, premium, minimum and alternative minimum or other taxes, fees, levies, duties, assessments or charges of any kind or nature whatsoever imposed by any Governmental Authority, together with any interest, penalty (civil or criminal), or additional amounts imposed by, any Governmental Authority with respect thereto.

6.8. Title; Purchased Property Complete. Seller has good title to all of the Personal Property, free and clear of all monetary liens and encumbrances, except for the Permitted Exceptions.

6.9. Contracts. Exhibits G and H collectively set forth all written contracts, leases or agreements, excluding agreements with the Facility Manager and its Affiliates and the Resident Agreements, to which Seller is a party, that are currently in effect, and that are material to the operation or management of the Business or the ownership and use of the Property. To Seller's knowledge, the Due Diligence Materials contain true and correct copies of all of the Assumed Contracts. To Seller's knowledge, Seller is not in material breach, default or violation of any of the Assumed Contracts or Resident Agreements and, to Seller's knowledge, no other party to any such Assumed Contract or Resident Agreement is in material breach, default or violation thereof. To Seller's knowledge, there are no commissions due and payable with respect to any Resident Agreements that will not be paid prior to Closing.

6.10. Litigation. To Seller's knowledge, except as set forth in the **Disclosure Schedule**, (i) there is no pending claim, action, audit, suit, proceeding, arbitral action, inquiry by any Governmental Authority, criminal prosecution or other investigation (each, a "**Proceeding**") with respect to the Facility or its ownership or operation, and (ii) no Proceeding has been threatened. Except as set forth in the **Disclosure Schedule**, neither Seller nor any of Seller's affiliates is subject to or bound by any order, judgment, decree or settlement agreement with respect to the Facility or its ownership or operation.

6.11. Compliance with Laws. Except as disclosed on the Disclosure Schedule, to Seller's knowledge, Seller operates and has operated the Facility in material compliance with

all applicable Laws. For purposes of this Agreement, "**Law**" shall mean any law, statute, ordinance, regulation, rule, court decision, and order of any Governmental Authority, including without limitation environmental, healthcare, fraud and abuse, privacy and security, energy, public utility, zoning, building and health codes, occupational safety and health laws, and other laws respecting employment practices, employee documentation, terms and conditions of employment and wages and hours.

6.12. Third Party Payors. Seller and Facility do not participate in the Medicare, Medicaid, and CHAMPUS/TRICARE programs (the "**Programs**").

6.13. Real Property. Within the one-year period prior to the Effective Date, Seller has not received written notice of any zoning, land use or building code violation relative to the Real Property which has not been cured prior to the date hereof. There is no pending or, to Seller's knowledge, threatened litigation concerning the location of the lines and corners of the Real Property. Seller has received no written notice of any pending, threatened or contemplated actions by any Governmental Authority or agency having the power of eminent domain, which might result in any part of the Real Property being taken by condemnation or conveyed in lieu thereof. Except as may be disclosed on the **Disclosure Schedule**, there are no ongoing improvements, construction projects or similar development of the Real Property that is currently in process or otherwise uncompleted.

6.14. Environmental Matters. To Seller's knowledge, except as set forth on **Schedule 6.14** attached hereto, (i) Seller has not received any written notice from any Governmental Authority of any violation of any Environmental Laws (as defined below) which has not been resolved, settled or dismissed or, which if determined unfavorably, would have a material adverse effect on the Property, and (ii) Seller has not released any Hazardous Materials (as defined below) on, from or under the Land, except in a manner or location that would not reasonably be expected to have a material adverse effect on the Property. For purposes of this Agreement, "**Environmental Laws**" means the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601 et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., the Toxic Substances Control Act (15 U.S.C. §2601 et. seq.), the Clean Air Act (42 U.S.C. §7401 et. seq.), the Safe Water Drinking Act (42 U.S.C. §300(f) et. seq.), and all other applicable state, county, municipal, administrative or other ordinances, rules, regulations, judgments, orders and requirements of any Governmental Authority relating to public health, the environment or Hazardous Materials, all as in effect as of the Effective Date. For purposes of this Agreement, "**Hazardous Material**" shall mean any and all substances, wastes, materials, pollutants, contaminants, compounds, chemicals or elements which are defined or classified as a "hazardous substance," "hazardous material," "toxic substance," "hazardous waste," "pollutant," "contaminant" or words of similar import under any Environmental Law. Seller has delivered or made available to Purchaser true and complete copies of: (A) all material environmental reports, audits and assessments prepared in within one-year period prior to the Effective Date within the possession or reasonable control of Seller pertaining to Hazardous Materials or Environmental Law with respect to the Property; (B) all material Environmental

Notices received by Seller one-year period prior to the Effective Date; and (C) all material Environmental Permits issued to Seller one-year period prior to the Effective Date.

6.15. Patriot Act. To Seller's knowledge, Seller: (A) is not listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 133224, 66 Fed. Reg. 49079 (September 25, 2001).

6.16. Insurance. Seller represents that it holds, and will hold, valid, fully paid for, and in force insurance policies for fire, general liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, fiduciary liability and other casualty and property insurance coverages for and with respect to the Facility through the Closing Date of this Agreement. **Schedule 6.16** sets forth a complete and accurate list (in each case specifying the insurer, the amount of coverage and the type of insurance, including whether each policy is on an "occurrence" or "claims made" basis and the expiration date thereof) of all insurance policies issued in favor of Seller or Facility Manager with respect to the Facility, (the "**Project Insurance Policies**") and, to Seller's knowledge, all claims pending under the Project Insurance Policies. To Seller's knowledge, there are no claims related to the Facility pending under any Project Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. Seller has not received any written notice of cancellation of, or alteration of coverage under, any of such Project Insurance Policies. All premiums due on such insurance policies have either been paid or, if not yet due, accrued. Evidence of such insurance coverages for Seller shall be provided to Purchaser upon Purchaser's written request.

6.17. Inventory. The inventory of the Facility: (a) was or will be acquired and maintained in accordance with the regular business practices of Seller's business and financial accounting, (b) consists or will consist of new and unused items of a quality and quantity useable or saleable in the ordinary course of business consistent with past practice.

6.18. Employees & Labor Relations.

6.18.1. Seller has no employees.

6.18.2. To Seller's knowledge, no employee of Facility Manager employed at the Facility is represented by a union or other labor organization, and Seller has no knowledge of any current union organizing activities. To the knowledge of Seller, there are and in the last three (3) years there have been no current union organizing activities among the employees of the Facility or application for certification of a collective bargaining agent seeking to represent any of such employees. To Seller's knowledge, in the last three (3) years, no unfair labor practice charge or complaint or other action pertaining to labor relations or employment matters has been filed or threatened, against Seller or Facility Manager with or by any Governmental Authority, including the National Labor Relations Board, the Equal Employment Opportunity Commission or any comparable Governmental Authority, in respect of employees of the Facility.

6.18.3. To Seller's knowledge, Facility Manager is not indebted to any of its employees at the Facility except for salaries due for Facility Manager's current pay period, any

termination payments, commissions with regard to which Seller is not delinquent in payment, and incidental traveling and other expenses. To Seller's Knowledge, Facility Manager has complied in all material respects with all Laws relating to employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar Taxes and occupational safety and health.

6.18.4. Seller has no contingent liability for sick leave, vacation time, severance or occupational disease with respect to the Facility not fully reserved on the financial statements for the Operator included in the Business Records.

6.18.5. To Seller's knowledge, other than in the ordinary course of business consistent with past practices, Facility Manager has not made a commitment to increase the salaries, bonuses or other benefits of the employees employed at the Facility.

6.19. Employee Benefit Plan Matters. Seller does not maintain or sponsor any kind of employee benefit plan, including, without limitation, any pension, profit sharing, health, life, accident or disability plan, including, but not limited to, any employee benefit plan under or pursuant to the Internal Revenue Code of 1986, as amended (the "**Code**") and/or the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). Seller has no obligation to contribute or any Liability with respect to a "defined benefit plan" as defined in Section 3(35) of ERISA, a pension plan subject to the funding standards of Section 302 of ERISA or Section 412 of the Code, a "multiemployer plan" as defined in Section 3(37) of ERISA or Section 414(f) of the Code or a "multiple employer plan" within the meaning of Section 210(a) of ERISA or Section 413(c) of the Code, and Seller has no Liability with respect to any such plans on account of being considered a single employer under Section 414 of the Code with any other Person.

For purposes of this Agreement, the term "**Seller's knowledge**" (or any term of similar import) shall mean the current actual knowledge of Ross Nemzin and Trever Sweeney. Seller represents that Ross Nemzin has primary responsibility for the sale of the Property, that Trever Sweeney has primary responsibility for the asset management of the Property, that one or both of such persons has inquired with the chief operating officer of Facility Manager and has requested that such chief operating officer inquire with any members of Facility Manager's organization that such chief operating officer reasonably determines advisable to confirm the truth and accuracy of such representations and warranties, as to the truth and accuracy of the representations and warranties of Seller regarding the Property. The representations and warranties set forth in this Agreement are true, complete and correct, as of the date hereof, and shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if first made at that time. The representations and warranties of Seller set forth in this Agreement shall survive the Closing for eighteen (18) months following the Closing Date (the "**Survival Period**").

7. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

Purchaser represents and warrants to Seller as follows:

7.1. Organization, Good Standing and Entity Authority. Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the State of Alabama and has all requisite authority to own and operate its properties and carry on its business.

7.2. Absence of Conflicts. The execution, delivery and performance by Purchaser of this Agreement and the other Closing Documents, and consummation by Purchaser of the transactions contemplated hereby and thereby, do not and will not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in a violation of, (iv) give any third party the right to modify, terminate or accelerate any obligation under, the provisions of any organizational documents of Purchaser (or its Affiliates), any Laws to which Purchaser (or its Affiliates) is subject, or any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Purchaser (or its Affiliates) are subject.

7.3. Authorization and Binding Effect of Documents. Purchaser (and its Affiliates) have all requisite power and authority to enter into this Agreement and will, prior to Closing, have all requisite power and authority to enter into the Closing Documents to which they are a party and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action on the part of Purchaser and the execution and delivery of each of the Closing Documents by Purchaser and the consummation by Purchaser of the transactions contemplated by this Agreement and the Closing Documents have been, or will be prior to Closing, duly authorized by all necessary action on the part of Purchaser. This Agreement has been, and each of the Closing Documents at or prior to Closing will be, duly executed and delivered by Purchaser. This Agreement constitutes (and each of the Closing Documents, when executed and delivered, will constitute) the valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity, whether applied by a court of law or of equity.

8. COVENANTS. From and after the Effective Date:

8.1. New Leases. Seller shall not execute any new lease, license, management agreement or other agreement affecting the ownership or operation the Facility without Purchaser's prior written approval (which approval may be withheld in Purchaser's sole discretion and shall be deemed denied if Purchaser's written approval is not delivered to Seller within five business days following Seller's written request for such approval), but which approval shall not be unreasonably withheld or delayed if requested by Seller at any time prior to the Approval Date; provided, however, the Operator and the Facility Manager may execute new Resident Agreements with new residents on terms and conditions consistent with those entered into during the six-month period prior to the date of this Agreement

8.2. Maintenance of Property. Seller shall not make any material alterations to the Facility without obtaining Purchaser's prior written consent, except as may be required by

applicable Law. Seller shall maintain the Facility in the ordinary course of business; continue its customary practices with respect to leasing and contracts affecting the Property; maintain general liability and property damage insurance in amounts that it customarily maintains; and maintain normal levels of inventory and supplies on hand for the Business (including food, beverages, office and kitchen supplies), consistent with past practice.

8.3. No Assignment. After the Effective Date and prior to Closing, Seller shall not assign, alienate, lien, encumber or otherwise transfer all or any part of the Property or any interest, easement or right of way therein.

8.4. Change in Conditions. Promptly after its receipt, delivery, filing or preparation, as the case may be, Seller shall deliver to Purchaser true and complete copies of: (i) any operating reports received or prepared by Seller; (ii) any reports, filings, applications, or petitions made by any Seller to any Governmental Authority (including with respect to the Facility); and (iii) any material written correspondence or notices to or from any Seller or Governmental Authority with respect to the Facility.

8.5. Transfer of Permits. Subject to Purchaser's receipt of original, notarized signature pages to the applicable filings (to the extent required) from authorized representatives of Seller and/or Facility Manager (as applicable), Purchaser shall make any necessary filings with respect to the change of ownership contemplated by the Agreement no later than 5:00 P.M. Eastern time, September 26, 2019 and Seller shall reasonably cooperate with Purchaser in connection with such filing. Seller shall use its commercially reasonable efforts to facilitate the transfer and assignment of the Assumed Permits to Purchaser or its designee at Closing, including notifying Governmental Authority where required by Law. **Schedule 1.4** attached hereto and made a part hereof sets forth a list and description of the Assumed Permits. In addition, Seller agrees to reasonably cooperate with Purchaser in Purchaser's efforts to obtain any permits, Health Facility Licenses, approvals or comparable consents from any Governmental Authority (including, but not limited to, any Health Departments) that are necessary for the operation of the Facility as an Alabama assisted living facility and as an Alabama specialty care assisted living facility (collectively, "**Purchaser Permits**"). Purchaser shall use good faith, reasonable efforts to obtain the Purchaser Permits as promptly as reasonably practicable. **Schedule 8.5** attached hereto and made a part hereof sets forth a list and description of the Purchaser Permits which are a Condition to close as defined in Paragraph 9 below.

8.6. Employees. Seller shall reasonably cooperate with the facilitation, evaluation and employment by Purchaser of such of the Facility's employees as Purchaser may elect other than the executive director of the Facility, provided that Purchaser shall not have the right to interview or otherwise communicate with such employees without Seller's consent.

8.7. Post-Closing Insurance. Solely with respect to the Facility, Seller shall maintain in full force and effect, for a period of two (2) years after the Closing Date, Tail Coverage or Extended Reporting Period covering general and professional liability for events occurring prior to the Closing Date, which may take the form of continuing coverage if Seller's current coverage is a "claims made" policy (the "**Post-Closing Insurance**"). Such policy of insurance shall have limits of no less than \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate, and shall name Purchaser as additional named insured.

8.8. **Scope Letter Work.** Seller shall cause to be performed all work contemplated by the Scope Letter (defined below) prior to Closing and shall fully pay Interstate for such work.

9. **CONDITIONS PRECEDENT TO CLOSING.**

9.1. **Conditions Precedent to Purchaser's Obligations.** Purchaser's obligations to close the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions (a "Condition"):

9.1.1. **Representations and Warranties.** As of the Closing Date, the representations and warranties made by Seller to Purchaser as of the Effective Date shall be true, accurate and correct in all material respects as if specifically remade on and as of the Closing Date.

9.1.2. **Covenants.** Seller shall have made all closing deliveries required of Seller hereunder, and Seller shall have otherwise performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by the Seller on or before Closing, and Purchaser and Seller have agreed, in writing, on the allocation of the Purchase Price.

9.1.3. **Court Action.** No order or injunction of any court of competent jurisdiction nor any statute, rule, regulation or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of the Closing that restrains or prohibits the transfer of the Property or the consummation of any transaction contemplated under this Agreement.

9.1.4. **Title Policy.** At Closing, the Title Company shall issue the Title Policy to Purchaser in the form required by Section 5.1 above, subject only to the Permitted Exceptions.

9.1.5. **Purchaser Permits.** Purchaser shall have obtained the Purchaser Permits.

Purchaser may (without any obligation to do so) waive any condition precedent for the benefit of Purchaser and proceed to Closing without any abatement or credit to the Purchase Price. Absent any such waiver, this Agreement shall terminate upon the day after the Closing Date and the Deposit shall be promptly paid to Purchaser.

9.2. **Conditions Precedent to Seller's Obligations.** Seller's obligations to close the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions:

9.2.1. **Representations and Warranties.** As of the Closing Date, the representations and warranties made by Purchaser to Seller as of the Effective Date shall be true, accurate and correct in all material respects as if specifically remade on and as of the Closing Date.

9.2.2. **Covenants.** Purchaser shall have deposited the balance of the Purchase Price owing hereunder and shall have made all other closing deliveries required of

Purchaser hereunder, and Purchaser shall have otherwise performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by the Purchaser on or before the Closing.

9.2.3. Court Action. No order or injunction of any court of competent jurisdiction nor any Law shall be in effect as of the Closing that restrains or prohibits the transfer of the Property or the consummation of any transaction contemplated under this Agreement.

Seller may (without any obligation to do so) waive any condition precedent for the benefit of Seller and proceed to Closing. Absent any such waiver, this Agreement shall terminate upon the day after the Closing Date, and (except as may be required on account of a Purchaser default under **Section 15.2** hereof) the Deposit shall be promptly paid to Purchaser.

10. SELLER'S CLOSING DELIVERIES. At Closing, Seller shall deliver or cause to be delivered to Purchaser through the closing escrow contemplated hereunder the following:

10.1. Deed. A Special Warranty Deed in the form attached hereto as **Exhibit D** (the "**Deed**") and otherwise in recordable form, conveying fee simple title to the Real Property to Purchaser or Purchaser's assignee or designee, free and clear of all liens, claims and encumbrances except for the Permitted Exceptions and other items waived by Purchaser pursuant to **Section 5**.

10.2. Bill of Sale. A bill of sale in the form attached hereto as **Exhibit E**, executed by Seller conveying to Purchaser title to the Personal Property; provided, however, that any leased Personal Property shall be conveyed to Purchaser only if the applicable lease constitutes an Assumed Contract.

10.3. General Assignment. An assignment and assumption agreement for the Resident Agreements in the form attached hereto as **Exhibit F** (the "**Lease Assignment**"), executed by Seller, conveying from Seller to Purchaser of all right, title and interest of Seller and its agents in and to the Resident Agreements, an assignment and assumption agreement for the Service Contracts in the form attached hereto as **Exhibit I** (the "**Contract Assignment**") executed by Seller, conveying from Seller to Purchaser all right, title and interest of Seller in the Service Contracts identified on **Exhibit G**, and an assignment and assumption agreement for the Intangibles in the form attached hereto as **Exhibit J** (the "**Intangibles Assignment**") executed by Seller, conveying from Seller to Purchaser all right, title and interest of Seller in the Intangibles.

10.4. Lease and Management Agreement Termination. Evidence of the termination of the Lease and the existing Management Agreement for the Facility between Operator and Facility Manager.

10.5. Business Records. Originals or copies of all of the Business Records in Seller's possession or reasonable control.

10.6. ALTA Statement. If required by the Title Company, ALTA statements and/or GAP Undertakings (or comparable documents required in the jurisdiction where the Land is located), each executed by Seller substantially in the form attached hereto as **Exhibit C**.

10.7. Original Documents. To the extent not previously delivered to Purchaser, originals of the Assumed Permits.

10.8. Closing Statement. A closing statement prepared by Purchaser and Seller in a form reasonably acceptable to Purchaser and Seller (the "**Closing Statement**"), executed by Seller, conforming to the proration and other relevant provisions of this Agreement.

10.9. Plans and Specifications. All plans and specifications related to the Improvements in Seller's possession or reasonable control, if any.

10.10. Entity Transfer Certificate. Entity Transfer Certification confirming that each constituent entity of Seller is a "**United States Person**" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

10.11. Closing Certificate. A certificate, signed by Seller, certifying to the Purchaser that the representations and warranties of Seller contained in this Agreement are true and correct as of the Closing Date, and that all covenants required to be performed by Seller prior to the Closing Date have been performed, in all material respects.

10.12. Transfer Tax Returns. All transfer tax returns which are required by Law and the regulations issued pursuant thereto in connection with the payment of all state or local real property transfer taxes that are payable or arise as a result of the consummation of the transactions contemplated by this Agreement, in each case, as prepared by the parties and duly executed by Seller.

10.13. Alabama Required Forms. Forms required by the State of Alabama or the Title Company, including, without limitation, Broker's Affidavits, Residency Affidavits, and Real Estate Validation Form.

10.14. Other. Such other documents and instruments may reasonably be necessary or appropriate to consummate this transaction and to otherwise effect the agreements of the parties pursuant to this Agreement.

11. PURCHASER'S CLOSING DELIVERIES. At Closing Purchaser shall cause the following to be delivered to Seller through the closing escrow contemplated hereunder the following:

11.1. Purchase Price. The Purchase Price, less the amount of the Deposit and plus or minus prorations and credits, shall be delivered to Seller.

11.2. General Assignments. The Lease Assignment, Contract Assignment and Intangibles Assignment, executed in counterpart by Purchaser or its designee.

11.3. Closing Certificate. A certificate, signed by Purchaser, certifying to the Seller that the representations and warranties of Purchaser contained in this Agreement are true and correct as of the Closing Date, and that all covenants required to be performed by Purchaser prior to the Closing Date have been performed, in all material respects.

11.4. Closing Statement. The Closing Statement, executed in counterpart by Purchaser.

11.5. Transfer Tax Returns. All transfer tax returns which are required by Law and the regulations issued pursuant thereto in connection with the payment of all state or local real property transfer taxes that are payable or arise as a result of the consummation of the transactions contemplated by this Agreement, in each case, as prepared by the parties and duly executed by Purchaser.

11.6. Other. Such other documents and instruments may reasonably be necessary or appropriate to consummate this transaction and to otherwise effect the agreements of the parties pursuant to this Agreement.

12. PRORATIONS AND ADJUSTMENTS. The following shall be prorated and adjusted between Seller and Purchaser as of the Closing Date, except as otherwise specified:

12.1. Rents. Rents under the Resident Agreements shall be prorated between Seller and Purchaser and Purchaser shall receive a credit for any deposits held by Seller or Facility Manager under the Resident Agreements. All wait list or reservation deposits, if any, which are in the possession or control of Seller or Facility Manager on the Closing Date shall be turned over and assigned to Purchaser at the Closing, or shall be applied as a credit to Purchaser and a debit to Seller on the Closing Statement. At Closing, Purchaser shall deliver to Seller a receipt for any wait list or reservation deposits actually turned over or credited by Seller to Purchaser. After Closing, Purchaser shall apply all rent and income collected by Purchaser from a tenant, first to such tenant's monthly rental for the month in which the Closing occurred and then to arrearages in the reverse order in which they were due, remitting to Seller, after deducting collection costs, any rent properly allocable to Seller's period of ownership. Purchaser may bill and attempt to collect such rent arrearages in the ordinary course of business, but shall not be obligated to do so or to engage a collection agency or take legal action to collect any rent arrearages. Seller shall not have the right to seek collection of any rents or other income applicable to any period before the Closing.

12.2. Real Estate Taxes. Real estate and personal property taxes and assessments shall be prorated for the tax year (which runs from October 1 through September 30) in which such taxes and assessments are assessed, on the basis of the number of days in such period the Property will have been owned by Seller and Purchaser, respectively. If the current tax bill is not available at Closing, then the proration shall be made on the basis of the most recent ascertainable tax bill, with Seller and Purchaser to readjust the proration for taxes, if necessary, once the actual tax bill or bills for the year in which Closing occurs are received.

12.3. Utilities. Water, electric, telephone and all other utility and fuel charges, fuel on hand (at cost plus sales tax), and any other payments to utility companies shall be prorated. If possible, utility prorations will be handled by final meter readings on the Closing Date. If final readings are not possible or reasonably practical, or if any such charges are not separately metered, such charges will be prorated based on the most recent period for which costs are available, with such proration to be readjusted once the actual charges are ascertained.

12.4. Contracts. Seller will receive a credit for any prepaid amounts with respect to the Assumed Contracts that relate to services or goods to be performed or delivered after Closing, and Purchaser will receive a credit for any amount that is due and owing with respect to such Assumed Contracts as of Closing that relate to services or goods performed or delivered before Closing.

12.5. Other. Such other items that are customarily prorated in transactions of this nature shall be ratably prorated. It is understood that Seller will pay to its employees all employment-related benefits which will have accrued as of the Closing Date and that Purchaser will not assume any obligation with regard thereto until the Closing Date.

For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing occurs or the day thereafter if the Purchase Price is not received by Seller by 12:00 P.M. on the Closing Date. All such prorations shall be made on the basis of the actual number of days of the year and month that shall have elapsed as of the Closing Date. The amount of such prorations shall be adjusted in cash after Closing, as and when complete and accurate information becomes available. Seller and Purchaser agree to cooperate and use their good faith and diligent efforts to make such adjustments no later than 60 days after the Closing, or no later than 90 days after the Closing (except for Taxes which are not billed until September of each year) if and to the extent that the required final proration information is not available within such 60 day period. Items of income and expense for the period prior to the Closing Date will be for the account of Seller and items of income and expense for the period on and after the Closing Date will be for the account of Purchaser, all as determined by the accrual method of accounting. Bills received after Closing that relate to expenses incurred, services performed or other amounts allocable to the period prior to the Closing Date shall be paid by Seller. Any amounts not so paid by Seller may be set off against amounts (if any) otherwise due Seller hereunder. The obligations of the parties pursuant to this **Section 12** shall survive the Closing and shall not merge into any deed or other instrument of conveyance.

13. CLOSING EXPENSES. Seller shall pay the fees of Seller's attorneys. Purchaser shall pay the fees of Purchaser's attorneys. The cost of the base Title Policy shall be paid by Seller. All documentary and state, county and local transfer taxes shall be divided equally between Purchaser and Seller. All costs of any Title Policy endorsements and all costs of the Updated Surveys shall be paid by Purchaser. Purchaser and Seller shall split equally all escrow charges hereunder, including, without limitation, any "New York Style" closing fees charged by the Title Company. Any closing costs not otherwise specified herein shall be paid by the party that customarily pays the same in the jurisdiction in which the subject Facility is located.

14. DESTRUCTION, LOSS OR TAKING OF PROPERTY. If, prior to Closing, all or any portion of the Project is damaged by fire or other natural casualty (collectively, "**Damage**"), or is taken or made subject to condemnation, eminent domain or other Governmental Authority acquisition proceedings (collectively, "**Eminent Domain**"), then the following procedures shall apply:

14.1. Casualty. If the aggregate cost of repair or replacement of the Damage (collectively, "**repair and/or replacement**") is \$150,000.00 or less and there is no reduction in

the number of licensed beds (the “**Damage Threshold**”), Purchaser shall close and take the Property as diminished by such events, and Purchaser shall receive a reduction of the Purchase Price applied against the cash otherwise due at the Closing, in the full amount of the aggregate cost of the repair and/or replacement resulting from such Damage. In such event, any casualty insurance resulting from such Damage shall be the sole property of Seller.

14.2. Condemnation. If the value of the Land that is taken subject to Eminent Domain is \$150,000.00 or less and there is no reduction in the number of licensed beds (the “**Eminent Domain Threshold**”), Purchaser shall close and take the Property as diminished by such events, and Purchaser shall receive a reduction of the Purchase Price applied against the cash otherwise due at Closing equal to the full amount of the value of the Property so taken. In such event, any condemnation award resulting from such Eminent Domain shall be the sole property of the Seller.

14.3. Loss of Value Exceeding Thresholds. If any loss due to any Damage exceeds the Damage Threshold or any loss due to Eminent Domain exceeds the Eminent Domain Threshold, then Purchaser, at its sole option, may elect, in its sole discretion and by written notice to Seller delivered on or prior to the Closing Date, to (i) terminate this Agreement by written notice to Seller, in which event the provisions of **Section 18.12** governing a permitted termination by Purchaser shall apply; or (ii) proceed to close subject to the following conditions:

14.3.1. In the case of Damage, Purchaser shall receive (A) a reduction of the Purchase Price equal to (i) the amount of the applicable deductible amount under the policy or policies of property and casualty insurance covering the Project plus (ii) any proceeds under the policy or policies of property and casualty insurance actually received by Seller prior to Closing, plus (B) an assignment by Seller to Purchaser of the proceeds payable under such policy or policies of property and casualty insurance. In such event, Seller shall fully cooperate with Purchaser in the adjustment and settlement of the insurance claim or claims.

14.3.2. In the case of Eminent Domain, Purchaser shall receive (A) a reduction of the Purchase Price equal to any net condemnation award actually received by Seller prior to Closing, plus (B) an assignment by Seller to Purchaser of any condemnation award with respect to the Eminent Domain event. In such event, Seller shall fully cooperate with Purchaser with respect to any proceedings relating to the any condemnation award.

14.3.3. In either case, the proceeds and benefits under any rent loss or business interruption insurance policies attributable to the period following the Closing shall likewise be paid and transferred over (and, if applicable, likewise credited on an interim basis) to Purchaser.

14.4. Valuation Disputes. In the event of a dispute between Seller and Purchaser with respect to the cost of repair and/or replacement or the value of the Property taken subject to Eminent Domain with respect to the matters set forth in this **Section 14**, an engineer designated by Seller and an engineer designated by Purchaser shall select an independent engineer licensed to practice in the jurisdiction where the applicable Project(s) is (are) located who shall resolve such dispute. All fees, costs and expenses of such third engineer so selected shall be shared equally by Purchaser and Seller.

15. DEFAULT AND INDEMNIFICATION.

15.1. Default by Seller. In the event Closing does not occur due to Seller's default under this Agreement, then Purchaser, as its sole and exclusive remedy, shall be entitled to (A) the remedy of specific performance of Seller's obligations under this Agreement or (B) to terminate this Agreement by written notice to Seller, upon delivery of which notice the Deposit shall be promptly paid to Purchaser, and this Agreement shall be terminated and neither party shall have any further liability hereunder, except for those liabilities that expressly survive a termination of this Agreement.

15.2. Default by Purchaser. In the event that Closing does not occur due to Purchaser's default under this Agreement, Purchaser shall pay to Seller, as fixed and liquidated damages (and not as a penalty), the Deposit (the "**Purchaser Default Amount**") as Seller's sole and exclusive remedy, on account of Purchaser's default hereunder and failure to proceed to Closing. Upon payment of the Purchaser Default Amount, this Agreement shall automatically terminate and neither party shall have any further liability hereunder, except for those liabilities that expressly survive the termination of this Agreement. Except as set forth in this **Section 15.2**, Seller shall have no other remedy for any default by Purchaser, including any right to damages. PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT: (1) THE PURCHASER DEFAULT AMOUNT IS A REASONABLE ESTIMATE OF AND BEARS A REASONABLE RELATIONSHIP TO THE DAMAGES THAT WOULD BE SUFFERED AND COSTS INCURRED BY SELLER AS A RESULT OF HAVING WITHDRAWN THE PROPERTY FROM SALE AND THE FAILURE OF CLOSING TO HAVE OCCURRED DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT; (2) THE ACTUAL DAMAGES SUFFERED AND COSTS INCURRED BY SELLER AS A RESULT OF SUCH WITHDRAWAL AND FAILURE TO CLOSE DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE; (3) PURCHASER SEEKS TO LIMIT ITS LIABILITY UNDER THIS AGREEMENT TO THE PURCHASER DEFAULT AMOUNT IN THE EVENT THIS AGREEMENT IS TERMINATED AND THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT DOES NOT CLOSE DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT; AND (4) THE PURCHASER DEFAULT AMOUNT SHALL BE AND CONSTITUTE VALID LIQUIDATED DAMAGES.

15.3. Indemnification by Seller. Following the Closing, and as Purchaser's sole and exclusive remedy with respect to the Property and the matters contemplated by this Agreement, the Seller shall indemnify, hold harmless and defend Purchaser and its officers, directors, employees, shareholders, partners, managers, members, agents, representatives and the successors and assigns and Affiliates of each (the "**Purchaser Indemnified Parties**") from and against any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind (including, without limitation, reasonable attorneys' fees and other legal costs and expenses) (collectively, "**Losses**") which Purchaser may at any time suffer or incur, or become subject to, as a result of or in connection with:

- (a) any breach or inaccuracy of any of the representations and warranties made by Seller in this Agreement;

(b) any failure by Seller to carry out, perform, satisfy and discharge any of its covenants, agreements, undertakings, liabilities or obligations under this Agreement;

(c) any federal, state, or local income, payroll, sales and use, ad valorem, workmen's compensation or other Taxes payable by Seller or Facility Manager with respect to the Facility or Facility employees, including without limitation obligations which may be due under applicable Alabama bulk sales Laws, in connection with any period prior to the Closing Date, and any interest or penalties thereon; or

(d) any claims brought by third parties, whether brought before or after Closing, arising from or relating to events, liabilities, causes of action, or defaults occurring at or with respect to the Property prior to Closing ("**Claims**"), including, without limitation, with respect to the Service Contracts, Residency Agreements, Permits, and Intangibles, but specifically excluding (i) any Claims brought from or after Closing arising out of or relating to the physical condition of the Property, including, but not limited to, those matters that are the subject of, or related to, that certain Scope Letter from Interstate dated August 27, 2019 for Elmcroft of Halcyon (the "**Scope Letter**") and (ii) any environmental matters reflected in that certain Phase I Environmental Site Assessment dated November 7, 2017 prepared by EMG (the "**Excluded Liabilities**") or the Scope Letter. For avoidance of doubt, an administrative or enforcement action, claim or other proceeding brought, instituted or made by or on behalf of the Alabama Department of Public Health or Alabama's State Health Planning and Development Agency constitutes a Claim for purposes of this Section 15.3(d).

15.4. Indemnification by Purchaser. Following the Closing, Purchaser shall indemnify and hold harmless Seller from and against, and reimburse Seller for, any and all Losses which Seller may at any time suffer or incur, or become subject to, as a result of or in connection with:

(a) the Assumed Contracts; or

(b) any claims brought by any third party arising from or relating to events occurring at or with respect to the Property from and after the Closing Date or the operation of the Property by Purchaser from and after the Closing Date.

15.5. Indemnification Limits; Survival.

(a) **Seller Indemnification Limits; Survival.** Seller's liability for indemnification under **Sections 15.3(a) and (b)** shall not in any case exceed the greater of (i) amounts available under the Post-Closing Insurance or (ii) \$250,000.00 (the "**Indemnification Cap**") and Seller shall have no liability with respect thereto unless the Purchaser Indemnified Parties' Losses collectively exceed \$15,000.00 (the "**Deductible**"), at which point all such Losses in excess of the Deductible shall be subject to recovery up the Indemnification Cap. The Purchaser Indemnified Parties' right to make any claim for indemnification against Seller under **Sections 15.3(a) or (b)** shall expire on at the end of the Survival Period; provided, however, that any claim for which a Purchaser Indemnified Party has given written notice prior to expiration of the Survival Period shall survive until

finally adjudicated. Claims under **Section 15.3(c)** and **(d)** shall not have an expiration date and shall not be limited by or subject to the Indemnification Cap or the Deductible.

(b) **Purchaser Indemnification; Survival.** All of Purchaser's representations and warranties made in this Agreement shall survive the Closing Date for a period equal to the Survival Period. Seller's right to make any claim for indemnification against Purchaser shall expire on the date one (1) year after the Closing Date; provided, however, that any claim for which Seller has given written notice prior to expiration of such one (1) year anniversary shall survive until finally adjudicated.

15.6. Procedures Regarding Third Party Claims. The procedures to be followed by Purchaser and Seller with respect to indemnification hereunder regarding claims by third parties shall be as follows:

(a) Promptly after receipt by Purchaser or Seller, as the case may be, of notice of the commencement of any action or proceeding or the assertion of any claim by a third person, which the party receiving such notice has reason to believe may result in a claim by it for indemnity pursuant to this Agreement, such person (the "**Indemnified Party**") shall give notice of such action, proceeding or claim to the party against whom indemnification is sought (the "**Indemnifying Party**"), setting forth in reasonable detail the nature of such action or claim, including copies of any written correspondence from such third person to such Indemnified Party. If the Indemnified Party fails to give prompt notice of any claim, and such failure materially prejudices the ability of the Indemnifying Party to defend such claim (including, without limitation, by causing the entry of a default judgment or causing a material increase in the amount of Losses incurred due to the passage of time), then Indemnified Party shall not be entitled to indemnification for such claim.

(b) The Indemnifying Party shall be entitled, at its own expense, to assume and control such defense with counsel chosen by the Indemnifying Party and approved by the Indemnified Party, which approval shall not be unreasonably withheld or delayed. The Indemnified Party shall be entitled to participate in such defense after such assumption at the Indemnified Party's own expense. Upon assuming such defense, the Indemnifying Party shall have full rights to enter into any monetary compromise or settlement which is dispositive of the matters involved; provided that such settlement is paid in full by the Indemnifying Party and will not have any continuing material adverse effect upon the Indemnified Party.

(c) With respect to any action, proceeding or claim as to which the Indemnifying Party shall not have exercised its right to assume the defense, the Indemnified Party may assume and control the defense of and contest such action, proceeding or claim with counsel chosen by it. The Indemnifying Party shall be entitled to participate in the defense of such action, the cost of such participation to be at its own expense. The Indemnifying Party shall be obligated to pay the reasonable attorneys' fees and expenses of the Indemnified Party to the extent that such fees and expenses relate to claims as to which indemnification is due under this **Section 15**. The Indemnified Party shall have full rights to dispose of such action and enter into any monetary compromise or settlement; provided, however, in the event that the Indemnified Party shall settle or

compromise any claims involved in the action insofar as they relate to, or arise out of, the same facts as gave rise to any claim for which indemnification is due under this **Section 15**, it shall act reasonably and in good faith in doing so.

(d) Both the Indemnifying Party and the Indemnified Party shall cooperate fully with one another in connection with the defense, compromise or settlement of any such claim, proceeding or action, including, without limitation, by making available to the other all pertinent information and witnesses within its control.

15.7. General Qualifications on Indemnification. Notwithstanding any provision to the contrary, the indemnification rights set forth in this **Section 15** shall be subject to the following:

(a) The liability of an Indemnifying Party with respect to any indemnification claim shall be reduced by the amount of any tax benefit actually realized or any insurance proceeds received by Indemnified Party as a result of any Losses, upon which such claim is based, and shall include any tax detriment actually suffered by the Indemnified Party as a result of such Losses. The amount of such tax benefit or detriment shall be determined by taking into account the effect, if any, and to the extent determinable, of timing differences resulting from the acceleration or deferral of items of gain or loss resulting from such Losses.

(b) Losses shall include actual damages and shall not include any special, punitive, multiplied or consequential damages, or lost profits, except to the extent the same are included or recovered in a third-party claim or judgment against the Indemnified Party.

(c) Upon payment in full of any indemnification claim, the Indemnifying Party shall be subrogated to the extent of such payment to the rights of the Indemnified Party against any person or entity with respect to the subject matter of such indemnification claim.

16. SUCCESSORS AND ASSIGNS; TAX-DEFERRED EXCHANGE/ REVERSE EXCHANGE.

16.1. Assignment. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no conveyance, assignment or transfer of any interest whatsoever of, in or to the Property or of this Agreement shall be made by Seller or Purchaser during the term of this Agreement except as permitted by this **Section 16**.

16.2. Tax-Deferred Exchange/Reverse Exchange. Seller recognizes and understands that this transaction may be part of Section 1031 of the Internal Revenue Code (an “**Exchange**”) by Purchaser. As such, Seller agrees to cooperate with Purchaser in effectuating such Exchange, which cooperation may include the execution of documents and the taking of other reasonable action, as is necessary in the opinion of Purchaser, to accomplish such Exchange; provided, however, that Seller shall not be required to assume any additional expense or liability in connection with, or as part of its cooperation with, such Exchange. Seller specifically consents

to Purchaser's assignment of its rights (but not its obligations) under this Agreement to a qualified intermediary (as defined in Treas. Regs. 1.1031(k)-1(g)(4)) in connection with a possible Exchange. The covenant contained in this **Section 16.2**, shall survive the Closing and shall not be merged into any instrument of conveyance delivered at Closing.

16.3. Seller 1031 Exchange. Purchaser recognizes and understands that this transaction may be part of an Exchange by Seller. As such, Purchaser agrees to cooperate with Seller in effectuating such Exchange, which cooperation may include the execution of documents and the taking of other reasonable action, as is necessary in the opinion of Seller, to accomplish such Exchange; provided, however, that Purchaser shall not be required to assume any additional expense or liability in connection with, or as part of its cooperation with, such Exchange. Purchaser specifically consents to Seller's assignment of its rights (but not its obligations) under this Agreement to a qualified intermediary (as defined in Treas. Regs. 1.1031(k)-1(g)(4)) in connection with a possible Exchange. The covenant contained in this **Section 16.3**, shall survive the Closing and shall not be merged into any instrument of conveyance delivered at Closing.

16.4. SURVIVAL. Only **Sections 1, 2, 3, 4, 6** (subject to the limitations set forth herein), **7, 8, 12, 15, 16, 17, and 18** of this Agreement will survive the Closing.

17. BROKERAGE. Each party hereto represents and warrants to the other that it has dealt with no brokers or finders in connection with this transaction, except that Seller has engaged Blueprint Healthcare Real Estate Advisors ("**Broker**"), whose fees will be paid by Seller. Seller hereby indemnifies, protects and defends and holds Purchaser harmless from and against any and all Losses resulting from the claims of any broker, finder, or other such party, claiming by, through or under the acts or agreements of Seller. Purchaser hereby indemnifies, protects and defends and holds Seller harmless from and against any and all Losses resulting from the claims of any broker, finder or other such party, claiming by, through or under the acts or agreements of Purchaser. The obligations of the parties pursuant to this **Section 17** shall survive the Closing or any earlier termination of this Agreement. The provisions of this paragraph shall survive closing.

18. MISCELLANEOUS.

18.1. Litigation. In the event of litigation between the parties with respect to the Property, this Agreement, the performance of their respective obligations hereunder or the effect of a termination under this Agreement, the losing party shall pay all costs and expenses incurred by the prevailing party in connection with such litigation, including, but not limited to, reasonable attorneys' fees of counsel selected by the prevailing party. Notwithstanding any provision of this Agreement to the contrary, the obligations of the parties under this **Section 18.1** shall survive termination of this Agreement or Closing and the delivery of any deed or other instrument of conveyance.

18.2. Notices. Any notice, demand or request which may be permitted, required or desired to be given in connection therewith shall be given in writing and directed to Seller and Purchaser as follows:

Purchaser:

CHS Properties, Inc.
c/o Community Health Systems, Inc.

25819 Canal Road
Orange Beach, AL 36561
Attn: Doug Warren, President/CEO
Email: dwarren@chscorp.net

With a copy to
its attorneys:

Maynard, Cooper & Gale, P.C.
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203
Attn: Steven McPheeters
Email: smcpheeters@maynardcooper.com

Seller:

c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, Illinois 60654
Attn: Ross Nemzin, Director of Dispositions
Phone: (312) 660-3800
Fax: (312) 660-3850
Email: rnemzin@ventasreit.com

With a copy to:

c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, Illinois 60654
Attn: Barak Berman
Fax: (312) 660-3850
Email: bberman@ventasreit.com

With a copy to
its attorneys:

Barack Ferrazzano Kirschbaum &
Nagelberg LLP
200 West Madison Street
Suite 3900
Chicago, Illinois 60606
Attn: Joseph D. Lambert
Fax: (312) 984-3150
Email: joe.lambert@bfkn.com

Notices shall be deemed properly delivered and received (i) the same day when personally delivered prior to 5:00 P.M. Central Time; or (ii) one day after deposit with Federal Express or other reputable commercial overnight courier; or (iii) the same day when sent by facsimile and receipt is mechanically confirmed prior to 5:00 P.M. Central Time (otherwise, the next business day), provided a copy is sent the same day by reputable overnight courier or is personally delivered.

18.3. Benefit. This Agreement is for the benefit only of the parties hereto and their nominees, successors, beneficiaries and assignees as permitted in **Section 16** and no other

person or entity shall be entitled to rely hereon, receive any benefit herefrom or enforce against any party hereto any provision hereof.

18.4. Limitation Of Liability. Upon the Closing, Seller shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Purchaser other than those specifically agreed to between the parties and set forth in this Agreement. Upon the Closing, Purchaser shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Seller other than those specifically agreed to between the parties and set forth in this Agreement.

18.5. Reasonable Efforts. Seller and Purchaser shall use their reasonable, diligent and good faith efforts, and shall cooperate with and assist each other in their efforts, to obtain such consents and approvals of third parties (including, but not limited to, Governmental Authorities), to the transaction contemplated hereby, and to otherwise perform as may be necessary to effectuate transfer the Property to Purchaser in accordance with this Agreement, provided, that nothing contained herein shall be construed so as to limit Purchaser's or Seller's respective rights to terminate this Agreement. From and after Closing, Seller and Purchaser shall execute and deliver to Purchaser any and all additional documents and instruments as either party shall reasonably request to effect this transaction and otherwise effect the agreements of the parties hereto.

18.6. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals, in each case with respect to the transaction contemplated herein, are hereby superseded and rendered null and void and of no further force and effect and are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

18.7. Legal Holidays. If any date herein set forth for the performance of any obligations by 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 for observance thereof in the State of Illinois.

18.8. Conditions Precedent. The waiver of any particular condition precedent by the Purchaser or the Seller shall not constitute the waiver of any other. In the event of the failure of a condition precedent for any reason whatsoever by the Closing Date (as it may be extended as provided herein), the party for whose benefit the condition precedent exists may elect, in its sole discretion and by delivery of written notice to the other party on or prior to Closing, to (A) terminate this Agreement, in which event the provisions of **Section 18.12** of this Agreement

governing a permitted termination shall apply or (B) waive the failure of the applicable condition(s) precedent and proceed to Closing.

18.9. Construction. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation of this Agreement. The headings of various sections in this Agreement are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

18.10. Governing Law; Venue; WAIVER OF JURY TRIAL. This Agreement shall be governed by and construed in accordance with the internal Laws (without giving effect to choice of laws principles) of the State of Alabama. The parties hereto agree that the exclusive forum and venue for any disputes between any of the parties hereto arising out of this Agreement or any other Closing Document shall be any state or federal court in the State of Alabama. Each party hereto expressly waives any and all objections it may have to venue, including the inconvenience of such forum, in any of the courts. In addition, each party consents to the service of process by personal service or any manner in which notices may be delivered hereunder in accordance with Section 19.2 of this Agreement. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE CONTEMPLATED TRANSACTIONS

18.11. Partial Invalidity. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity of enforceability of any other provision hereof.

18.12. Permitted Termination. In the event that Purchaser exercises any right it may have hereunder to terminate this Agreement, no fee or other amount shall be owing from Purchaser to Seller hereunder or otherwise and neither party shall have any further liability or obligation under this Agreement, except that the Deposit shall be paid to Purchaser and except for those other liabilities and obligations that expressly survive a termination of this Agreement.

18.13. Execution. This Agreement may be executed in multiple counterparts. Signatures hereon sent by facsimile or by email in “.pdf” format may be treated as original signatures.

[Signature Page to Follow]

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

SELLER:

HALCYON REALTY PROPCO, LLC, a
Delaware limited liability company

By: 

Name: Jason S. Simmers

Title: Vice President

HALCYON REALTY PROPCO, LLC, a
Delaware limited liability company

By: 

Name: Jason S. Simmers

Title: Vice President

PURCHASER:

CHS PROPERTIES, INC., an Alabama
corporation

By: _____

Its: _____

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

SELLER:

HALCYON REALTY PROPCO, LLC, a
Delaware limited liability company

By: _____

Name: _____

Title: _____

HALCYON REALTY PROPCO, LLC, a
Delaware limited liability company

By: _____

Name: _____

Title: _____

PURCHASER:

CHS PROPERTIES, INC., an Alabama
corporation

By: Daig /
Its: PRESIDENT & CEO

SCHEDULE 1.4

Assumed Permits

None.

Schedule 1.4 - 1

SCHEDULE 4.1

Due Diligence Materials

ESL Halcyon - Diligence Tracker

September 18, 2019

Req #	Date	Category	Data Request / Question
1	09/10/19	Contracts	List of All Material Contracts, 3rd Party Service Contracts, and all other agreements relative to ownership of the Property.
2	09/10/19	Contracts	List of Outstanding Non-Residential (Commercial) Leases
3	09/10/19	Equipment	Copies of all Warranties and guaranties relating to the Property
4	09/10/19	Equipment	Details of vehicles owned or leased, copy of titles, registration, and lease
5	09/10/19	Financial	Accounts receivable balance and aging schedules
6	09/10/19	Financial	Balance sheets at current period end and prior year end;
7	09/10/19	Financial	Detailed monthly P&L for trailing 3 years with a description of each line item header in P&L
8	09/10/19	Financial	Rent Rolls, by Month, for last 24 months - with charges by resident (if on RR, otherwise, provide care charges separately if applicable)
9	09/10/19	Financial	Any Detail on Fraud, or Suspected Fraud affecting the Property involving either Mgmt, Employees, or Others that could have impact on Financials.
10	09/10/19	Financial	Capital expenditure summary (past 3 years) (including any ongoing capex)
11	09/10/19	Financial	Detailed Operating Metrics for trailing 3 years (Move Ins, Move Outs, Net Move Ins, Avg Occupancy, Ending Occupancy, etc)
12	09/10/19	Inspection	Copy of OSHA survey and citation response
13	09/10/19	Inspection	State of Alabama Department of Health the two most recent survey reports and deficiency responses
14	09/10/19	Insurance	Details of all open workers compensation claims
15	09/10/19	Insurance	Historical coverage and premium information (past 3 years)
16	09/10/19	Land	Confirmation of current zoning and copies of the following: Conditional use permits; Other zoning approvals; Other government approvals; Other required licenses
17	09/10/19	Land	Copies of Property Title commitment, loan policies of Title Insurance, and Formation Documents of Seller together with any amendments to either.
18	09/10/19	Land	As built survey; Copies of Existing ALTA survey, Land area; most updated site survey/plot plan which states land area.
19	09/10/19	Land	Copy of most recent property deed and legal description.
20	09/10/19	Land	Environmental Phase I report;
21	09/10/19	Legal	Narrative, describing pending or threatened litigation, provide copies of complaints, correspondence with insurance companies, etc.;
22	09/10/19	Legal	Copies of all subordination, non disturbance and attornment agreements (if any).
23	09/10/19	License	List of / Copies of Food Service Licenses / Inspections and Permits
24	09/10/19	License	List of / Copies of All Business Licenses / Inspections (Rental Dwelling License, Elevator, Dumpster, Fire Dept. Etc)
25	09/10/19	License	State of Alabama Department of Health Licenses
26	09/10/19	Taxes	Most recent sales tax audit? Other audits?

ESL Halcyon - Diligence Tracker

September 18, 2019

Req #	Date	Category	Data Request / Question
27	09/10/19	Taxes	Copies of statements and confirmation of payment for real estate and personal property taxes
28	09/10/19	Taxes	Real property tax bill;

SCHEDULE 6

Disclosure Schedule

1. As to Section 6.5 (Operating Statements; No Undisclosed Liabilities), Section 6.10 (Litigation) and Section 6.11 (Compliance with Law):

Susan Barron, as Guardian of Doris Mitchell v. Elmcroft of Montgomery, LLC, et al., No. _____ (M.D. AL) alleging personal injury claims relating to an outing on a bus during the residency of former resident Doris Mitchell. The fully insured matter has been settled with full releases by all parties. Once documentation is finalized, the case will be dismissed with prejudice.

2. As to Sections 6.10 (Litigation) and Section 6.11 (Compliance with Laws):

Without limiting Seller's indemnification obligations or Purchaser's indemnification rights under Section 15.3(d), for purposes of Seller's representations in Section 6.10 (Litigation) and Section 6.11 (Compliance with Laws), Seller excepts from such representations any matters to the extent arising out of or in connection with the Seller's or the Facility's compliance with the rules and regulations of the Alabama Department of Public Health or Alabama's State Health Planning and Development Agency.

SCHEDULE 6.14

Environmental Matters

Matters described in Scope Letter dated August 27, 2019, from Interstate Restoration to Elmcroft of Halcyon regarding Phase One – Emergency Services, Dry Out and Demolition of Water Damage causing MG.

SCHEDULE 6.16

Project Insurance Policies

- 1) Commercial General Liability Insurance (Policy #SB-LTCA-01751-19) in the amount of \$1,000,000 per occurrence, \$100,000 per occurrence of damage to rented Premises, \$10,000 for medical expenses, \$1,000,000 for personal injury, \$3,000,000 in the general aggregate, and \$1,000,000 products.
- 2) Automobile Liability Insurance (Policy #0338884-09-188108) in the amount of \$1,000,000 for combined single limit.
- 3) Umbrella Liability Insurance (Policy # SB-LTCAX-01539-19) in the amount of \$25,000,000 for each occurrence, and \$25,000,000 in the aggregate.
- 4) Professional Liability Insurance (Policy #SB-LTCA-01751-19) in the amount of \$1,000,000 per occurrence, \$3,000,000 in the general aggregate, \$25,000 deductible per claim.
- 5) Commercial Property Coverage Insurance in the amount of \$50,000,000.
- 6) Worker's Compensation and Employers' Liability (Policy #201900-0962233) in the amount of \$1,000,000 per accident, \$1,000,000 per disease for each employee, and a policy limit of \$1,000,000.
- 7) Employment Practice Liability (Policy #7250-9399) in the amount of \$5,000,000 per claim, \$5,00,000 in the aggregate, and \$150,000 retention.

SCHEDULE 6.5

Operating Statements

- 1) Elmcroft of Halcyon - 2016 GAAP P&L.xlsx
- 2) Elmcroft of Halcyon - 2017 GAAP P&L.xlsx
- 3) Elmcroft of Halcyon 2018 + YTD2019 P&L Act by Month_2019.07.xlsx
- 4) 6 - Halcyon - Balance Sheets (Current Period and Prior Year End).xlsx

SCHEDULE 8.5

Purchaser Permits

- (i) License issued by the Alabama Department of Public Health for the operation of the Facility as an Assisted Living Facility
- (ii) License issued by the Alabama Department of Public Health for the operation of the Facility as a Specialty Care Assisted Living Facility

EXHIBIT A

Land

Commence at the Southwest corner of the Northeast 1/4 of Section 20, T16N, R19E, Montgomery County, Alabama; thence run N 90°00'00" E, 2,081.20 feet; thence run S 00°00'00" E, 270.75 feet to the intersection of the East right of way of Taylor Road and the North right of way of Halcyon Boulevard; thence along the North right of way of Halcyon Boulevard run S 57°41'23" E, 670.19 feet to the Southeast corner of Lot 1, of the Map of Halcyon Boulevard Plat No. 4, as recorded in the Office of the Judge of Probate of Montgomery County, Alabama, in Plat Book 41, at Page 83, said corner being the point of beginning; thence from said point of beginning and along the East line of said plat run N 31°08'53" E, 373.21 feet; thence run S 57°41'23" E, 368.60 feet; thence run S 31°08'53" W, 165.24 feet; thence run S 83°58'07" W, 335.17 feet to the North right of way of Halcyon Boulevard; thence along said right of way run N 57°41'23" W, 101.50 feet to the point of beginning.

The above described parcel lying in the Southwest 1/4 of Section 21, T16N, R19E, Montgomery County, Alabama and containing 2.52 acres, more or less.

EXHIBIT B

Earnest Money Escrow Instructions

JOINT ORDER ESCROW AGREEMENT

This Joint Order Escrow Agreement ("**Agreement**") is entered into as of this ____ day of _____, 20__ by and among _____, a _____ ("**Purchaser**"), and _____, a _____ (collectively, "**Seller**"), and Chicago Title Insurance Company ("**Escrowee**").

RECITALS

WHEREAS, Purchaser and Seller entered into that certain Purchase and Sale Agreement, dated as of the date hereof (the "**Purchase Agreement**"), regarding the purchase and sale of that certain real property owned by Seller and commonly known as "_____" and located at _____, as more specifically described in the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, Purchaser is required to deposit in escrow \$75,000.00 (the "**Earnest Money Amount**"); the Earnest Money Amount and any other earnest money amounts required under the Purchase Agreement shall hereinafter be referred to collectively as, the "**Earnest Money Amount**"); and

WHEREAS, the parties desire to enter into escrow instructions with Escrowee pursuant to which Purchaser shall deposit the Earnest Money Amount, as required by the Purchase Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby affirm the foregoing recitals and agree as follows:

1. Deposit.

1.1. The Earnest Money Amount. Pursuant to the terms and provisions of the Purchase Agreement, and simultaneously with the execution of this Agreement, Purchaser has deposited or will deposit in escrow with Escrowee the Earnest Money Amount, which sums, together with the interest earned thereon, is herein referred to as the "**Funds**."

1.2. Investment of the Funds. Escrowee shall invest the Funds in segregated interest-bearing "money market fund" accounts established and managed by nationally recognized firms, as selected by Seller. All interest earned on the Funds shall be paid as specifically provided in the Purchase Agreement. Purchaser and Seller shall execute such investment directions as may be reasonably requested by Escrowee to invest the Funds.

2. Draw Requests. Escrowee shall disburse all or some portion of the Funds only if, as, and when directed, in writing, by both Purchaser and Seller; provided, however, that if

Purchaser terminates the Purchase Agreement on or before the expiration of the Inspection Period, no mutual direction shall be required.

3. **Escrowee Obligations.** The parties agree that, except as otherwise expressly provided herein, the actions of, and the relationship between, Purchaser and Seller shall be governed by the terms of the Purchase Agreement. In all events and under all circumstances, the ultimate rights and obligations of Purchaser and Seller shall be strictly governed and controlled by the terms and provisions of the Purchase Agreement, rather than this Agreement. In the event of any conflict between the terms and provisions of the Purchase Agreement and this Agreement, the terms and provisions of the Purchase Agreement shall control in all events and circumstances. Notwithstanding the existence of the Purchase Agreement or any references herein to the Purchase Agreement, the parties agree that Escrowee (but not Purchaser and Seller) shall be governed solely by the terms and provisions of this Agreement. The parties furthermore agree that Escrowee is hereby expressly authorized to regard, comply with, and obey any and all orders, judgments or decrees entered or issued by any court, and, in case Escrowee obeys and complies with any such order, judgment or decree of any court, it shall not be liable to either of the parties hereto or to any other person, firm or corporation by reason of such compliance. Escrowee shall have a lien on the contents hereof for any or all reasonable costs, attorneys' fees and other expenses that have been incurred by Escrowee or for which Escrowee becomes liable in connection with any litigation involving the Funds or this Agreement, and Escrowee shall be entitled to reimburse itself therefor out of the Funds and the undersigned jointly and severally agree to pay Escrowee, upon demand, all such costs and expenses so incurred.

4. **Litigation; Interest.** In the event of litigation between the Purchaser and Seller with respect to this Agreement or the performance of their respective obligations hereunder, the losing party shall pay all costs and expenses incurred by the prevailing party in connection with such litigation, including, but not limited to, court costs and reasonable fees of counsel selected by the prevailing party. Notwithstanding any provision of the Purchase Agreement or this Agreement to the contrary, the obligations of the parties under this **Section 4** shall survive a termination of either or both of the Purchase Agreement and this Agreement.

5. **Miscellaneous.**

5.1. **Notices.** Notices hereunder shall be deemed properly delivered to the parties as set forth below when and if (i) personally delivered; (ii) one business day after deposit with Federal Express or other reputable overnight courier; or (iii) sent by facsimile upon generation of a confirmation of transmission from the sending facsimile machine:

If intended for Purchaser to Purchaser at:

With a copy to
its attorneys:

and:

If intended for Seller to Seller at:

c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, Illinois 60654
Attn: Dispositions
Phone: (312) 660-3800
Fax: (312) 660-3850
Email: _____@ventasreit.com

With a copy to: c/o Ventas, Inc.

353 North Clark Street, Suite 3300
Chicago, Illinois 60654
Attn: Barak Berman
Fax: (312) 660-3850

With a copy to its attorneys:

Barack Ferrazzano Kirschbaum &
Nagelberg LLP
200 West Madison Street
Suite 3900
Chicago, Illinois 60606
Attn: Joseph D. Lambert
Fax: (312) 984-3150

If intended for Escrowee to Escrowee at:

Chicago Title Insurance Company

Attn: _____
Fax: _____

5.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

5.3. Counterpart. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument. Facsimile or portable document format (PDF) signatures hereto shall be effective as originals.

[The remainder of this page is intentionally left blank.]

SELLER:

_____, a _____

By: _____

Its: _____

PURCHASER:

_____, a _____

By: _____

Its: _____

ACCEPTED BY ESCROWEE:

CHICAGO TITLE INSURANCE COMPANY

By: _____

Name: _____

Its: _____

shall promptly pay, satisfy, discharge and/or remove of record any matters filed of record during said gap period by or on behalf of Owner, and shall hold harmless and indemnify the Company for any actual loss, cost, expense, claim, or damage, including without limitation reasonable attorneys' fees, arising as a direct result of such matters filed of record by or on behalf of Owner during such "gap" period. Notwithstanding anything to the contrary contained in this Affidavit, Owner shall not incur any liabilities or obligations under this Affidavit unless notified by the Title Company in writing within 40 days after the date of recording of the deed or assignment of ground lease, as applicable, for the Property.

10. This Affidavit is given to induce the Title Company to issue its policy of title insurance with full knowledge that it will be relying upon the accuracy of same.

[Signature Page Follows]

By: _____
NOT PERSONALLY, but solely as
_____ of

SUBSCRIBED AND SWORN TO

before me this _____ day of
_____, 20__.

My Commission Expires: _____

Notary Public

EXHIBIT D

Deed

Prepared by:

SPECIAL WARRANTY DEED

STATE OF ALABAMA)

_____ COUNTY)

WHEREAS, _____, a _____, ("Grantor") owns certain property in
County, Alabama;

WHEREAS, _____ hereby executes the following deed as _____ of _____ to
convey the property described herein to _____ ("Grantee").

NOW, THEREFORE, in consideration of Ten and No/100 Dollars and other good and
valuable consideration, in hand paid by the Grantee herein, the receipt of which is hereby
acknowledged, Grantor does by these presents, grant, bargain, sell and convey unto Grantee, the
following described real estate (the "Real Estate"), situated in _____, County, Alabama,
to-wit:

See Exhibit "A" which is attached hereto and incorporated herein by reference.

SUBJECT TO:

all matters of records, including any and all matters listed on Exhibit "B" attached hereto,
real estate taxes for the year 2019 and subsequent years, and any and all matters that would
be disclosed by an ALTA survey of the Real Estate.

TO HAVE AND TO HOLD said property, together with all and singular the rights and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof to said Grantee its successors and assigns forever.

Grantor hereby covenants that it and its successors and assigns shall and will WARRANT AND DEFEND the title to the Real Estate unto Grantee and Grantee's successors and assigns forever, against the lawful claims of all persons claiming an interest in the Real Estate by, through or under Grantor, but none other.

IN WITNESS WHEREOF, Grantor has executed this deed under seal on this ____ day of _____, 2019.

(SEAL)

By: _____
Its: _____

STATE OF ALABAMA)

_____ COUNTY)

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

Given under my hand and official seal this _____ day of _____, 20_____.

Notary Public
My Commission Expires: _____

Send Tax Notice to:

EXHIBIT A TO DEED

Real Estate

EXHIBIT B TO DEED

Exceptions

EXHIBIT E

Bill of Sale

BILL OF SALE

Seller, _____, a _____ (“**Grantor**”), having an address at c/o Ventas, Inc. 353 North Clark Street, Suite 3300, Chicago, Illinois 60654, in consideration of Ten Dollars (\$10.00), receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over to Purchaser, _____, a _____ (“**Grantee**”), having an address at _____, all of Grantor’s right, title and interest in and to the following described personal property:

All personal property constituting Personal Property (as set forth in Section 1.3 of that certain Purchase and Sale Agreement dated _____, __, 2019, by and between Grantor, as seller, and Grantee, as purchaser (the “**Purchase and Sale Agreement**”)), located on or in the Facility (as defined in the Purchase and Sale Agreement) and used exclusively in connection with the ownership, operation and maintenance of the Property (as defined in the Purchase and Sale Agreement).

All of the foregoing personal property, if any, is located at _____.

Except with respect to the representations and warranties set forth in the Purchase and Sale Agreement, all of which are hereby incorporated by reference, such property is assigned by Grantor to Grantee on an “AS-IS,” “WHERE-IS,” “WITH ALL FAULTS” basis, and without any warranties, representations or guaranties, either express or implied, of any kind, nature or type whatsoever. For the avoidance of doubt, any representations and warranties of Grantor contained in the Purchase and Sale Agreement and incorporated herein by reference shall only survive for the Survival Period (as defined in the Purchase and Sale Agreement) and any potential recovery by Grantee with respect to a breach of such representations and warranties shall be subject to the applicable limitations of Grantor’s liability as set forth in the Purchase and Sale Agreement.

If this bill of sale is signed by more than one person, all persons so signing shall be jointly and severally bound hereby.

IN WITNESS WHEREOF, Seller has signed and sealed this bill of sale, this _____ day of _____, 20__.

GRANTOR:

_____,

a

By: _____

Its: _____

EXHIBIT F

Lease Assignment

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (the "**Assignment**") is made and entered into this ____ day of ____, 20__, by and between _____, a _____ and _____, a _____ ("**Assignor**"), and _____, a _____ ("**Assignee**").

RECITALS:

WHEREAS, Seller owns the facility (as applicable) commonly known as "_____" located at _____ (the "**Facility**");

WHEREAS, Seller and Assignee entered into that certain Purchase and Sale Agreement, dated _____, 20__, and as amended from time to time (as amended, the "**Agreement**"); and

WHEREAS, in connection with the consummation of the transactions contemplated under the Agreement, Assignor and Assignee desire to execute this Assignment.

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

1. **Recitals; Defined Terms.** The foregoing recitals are hereby incorporated into this Agreement as if fully rewritten and restated in the body of this Assignment. Capitalized terms used herein and not otherwise defined shall have the meanings respectively ascribed to them in the Agreement.
2. **Assignment of Leases.** Assignor hereby sells and assigns unto Assignee and transfers and sets over absolutely unto Assignee those certain leases described on attached Exhibit "A" (the "Residence Agreements"), together with any and all deposits made thereunder by way of security, if any, and any accrued interest thereon, subject, however, to all the terms covenants and conditions contained therein. The Assignor hereby agrees to indemnify and hold Assignee harmless from and against any claim, demand, liability, cost or expense asserted against Assignee (including, without limitation, and by way of example only, reasonable attorney's fees, disbursements and amounts paid in settlement of claims) arising out of the failure of Assignor to perform its obligations under the Leases during the period prior to the date of this Assignment.
3. **Assumption of Leases.** The Assignee hereby assumes and covenants to perform all of the obligations of the Assignor under the Leases. Assignee hereby agrees to hold indemnify and Assignor harmless from and against any claim, demand, liability, cost or expense asserted against Assignor (including, without limitation, and by way of example only, reasonable attorney's fees, disbursements and amounts paid in settlement of claims) arising out of the failure of Assignee to perform its obligations under the Leases during the period on or after the date of this Assignment.

4. **Counterparts.** This Assignment may be executed in one or more multiple counterparts, all of which, when taken together shall constitute one and the same instrument.
5. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws (without giving effect to choice of laws principles) of the State of Alabama.
6. **Partial Invalidity.** The provisions hereof shall be deemed independent and severable, and the invalidity or enforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on the date first above written.

ASSIGNOR:

_____, a _____

By: _____

Its: _____

_____, a _____

By: _____

Its: _____

ASSIGNEE:

_____, a _____

By: _____

Its: _____

EXHIBIT G

Assumable Contracts*

None.

EXHIBIT H

Non-Assumable Contracts

Vendor	Service	Contract Date
Connie Gibson	Beauty Salon Services Agreement	09/20/2017
Ecolab	Equipment lease of dish machine	
Turenne PharMedCo, Inc.	Agreement for Pharmacy Services	10/28/2016
Dr. Donald Marshall	Medical Director Services Agreement	07/13/2018
The Springs Medical Lab	Laboratory Services	01/16/2019
Creative Security Systems, LLC	Central Office Monitoring Contract	04/13/2018
Pitney Bowes	Equipment lease for postal machine	

EXHIBIT I

Assignment of Contracts

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS (the "**Assignment**") is made and entered into this ____ day of ____, 20__, by and between _____, a _____ and _____, a _____ ("**Assignor**"), and _____, a _____ ("**Assignee**").

RECITALS:

WHEREAS, Seller owns the facility (as applicable) commonly known as "_____" located at _____ (the "**Facility**");

WHEREAS, Seller and Assignee entered into that certain Purchase and Sale Agreement, dated _____, 20__, and as amended from time to time (as amended, the "**Agreement**"); and

WHEREAS, in connection with the consummation of the transactions contemplated under the Agreement, Assignor and Assignee desire to execute this Assignment.

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

1. **Recitals; Defined Terms.** The foregoing recitals are hereby incorporated into this Agreement as if fully rewritten and restated in the body of this Assignment. Capitalized terms used herein and not otherwise defined shall have the meanings respectively ascribed to them in the Agreement.
2. **Assignment of Contracts.** Assignor hereby sells and assigns unto Assignee and transfers and sets over absolutely unto Assignee those certain contracts described on attached Exhibit "A" (the "**Contracts**").
3. **Assumption of Contracts.** The Assignee hereby assumes and covenants to perform all of the obligations of the Assignor under the Contracts, subject to the provisions of the Agreement.
4. **Counterparts.** This Assignment may be executed in one or more multiple counterparts, all of which, when taken together shall constitute one and the same instrument.
5. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws (without giving effect to choice of laws principles) of the State of Alabama.
6. **Partial Invalidity.** The provisions hereof shall be deemed independent and severable, and the invalidity or enforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on the date first above written.

ASSIGNOR:

_____, a _____

By: _____

Its: _____

_____, a _____

By: _____

Its: _____

ASSIGNEE:

_____, a _____

By: _____

Its: _____

EXHIBIT J

ASSIGNMENT AND ASSUMPTION OF INTANGIBLES

THIS ASSIGNMENT AND ASSUMPTION OF INTANGIBLES (the "Assignment") is made and entered into this ____ day of ____, 20__, by and between _____, a _____ and _____, a _____ ("Assignor"), and _____, a _____ ("Assignee").

RECITALS:

WHEREAS, Seller owns the facility (as applicable) commonly known as "_____" located at _____ (the "Facility");

WHEREAS, Seller and Assignee entered into that certain Purchase and Sale Agreement, dated _____, 20__, and as amended from time to time (as amended, the "Agreement"); and

WHEREAS, in connection with the consummation of the transactions contemplated under the Agreement, Assignor and Assignee desire to execute this Assignment.

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

1. **Recitals; Defined Terms.** The foregoing recitals are hereby incorporated into this Agreement as if fully rewritten and restated in the body of this Assignment. Capitalized terms used herein and not otherwise defined shall have the meanings respectively ascribed to them in the Agreement.
2. **Assignment of Intangibles.** Assignor hereby sells and assigns unto Assignee, all of Assignor's right, title and interest (if any) in and to all Assumable Contracts and the Intangibles, in connection with the operation, construction, improvement, alteration or repair of the Land or the Improvements.
3. **Assumption of Intangibles.** The Assignee hereby assumes and covenants to perform all of the obligations of the Assignor under the Intangibles, subject to the terms of the Agreement.
4. **Counterparts.** This Assignment may be executed in one or more multiple counterparts, all of which, when taken together shall constitute one and the same instrument.
5. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws (without giving effect to choice of laws principles) of the State of Alabama.
6. **Partial Invalidity.** The provisions hereof shall be deemed independent and severable, and the invalidity or enforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on the date first above written.

ASSIGNOR:

_____, a _____

By: _____

Its: _____

_____, a _____

By: _____

Its: _____

ASSIGNEE:

_____, a _____

By: _____

Its: _____