



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

February 8, 2017

D. Gray Angell, Jr.
142 Bermuda Village Drive
Advance, NC 27006

Exempt from Review – Acquisition of Facility

Record #: 2158
Facility Name: Willow Place Assisted Living & Memory Care Community
Type of Facility: Adult care home
FID #: 921348
Acquisition by: Blue Ridge Health Investors, LLC
Business #: 2564
County: Scotland

Dear Mr. Angell:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of January 24, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Blue Ridge Health Investors, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C. Gen. Stat. §131E-181(b): "*A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.*"

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER

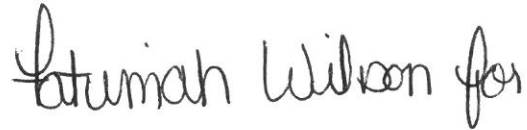


separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Tanya S. Rupp
Project Analyst

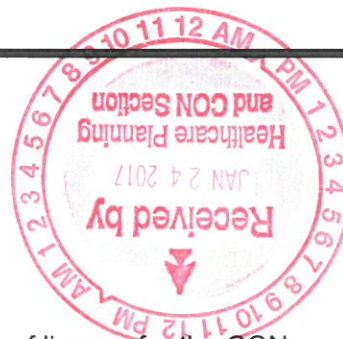


Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

Rupp, Tanya

From: Gray Angell <gray.angell@yahoo.com>
Sent: Tuesday, January 24, 2017 10:18 AM
To: Rupp, Tanya
Subject: Fw: TI-Willow Haven, LLC
Attachments: 20170124101521444.pdf



Thank you for your time this morning! Attached is purchase contract and copy of license for the CON exemption letter. If you are in need of any further information, please contact me. My physical address is:
142 Bermuda Village Dr.
Bermuda Run, NC 27006

D. Gray Angell, Jr.
Executive Director
Bermuda Village Retirement Center
336-345-7118 (cell)
336-940-2140 (fax)
gray.angell@yahoo.com

On Tuesday, January 24, 2017 10:11 AM, "scanner@bermudavillage.net" <scanner@bermudavillage.net> wrote:

This E-mail was sent from "RNPAE64DB" (Aficio MP C2500).

Scan Date: 01.24.2017 10:15:21 (-0500)
Queries to: scanner@bermudavillage.net

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2017, this license is issued to

TI-Willow Haven, LLC

to operate an Adult Care Home known as

Willow Place Assisted Living & Memory Care Community

located at 1703 Stonewall Road
Laurinburg, NC, Scotland County.

This license is issued subject to the statutes of the State of North
Carolina, is not transferable and shall expire

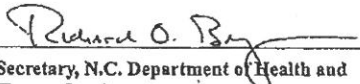
December 31, 2017.

License Number: HAL-083-013

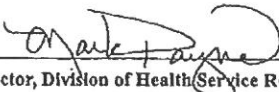
Capacity: 74

Special Care Units: Yes No Type: Alzheimer's/Dementia 14

Authorized by:


Secretary, N.C. Department of Health and
Human Services




Director, Division of Health Service Regulation

File No. Willow Place _____

NOTICE OF ASSIGNMENT

Date: January 12, 2017

TO: Blue Ridge Health Investors, LLC
142 Bermuda Village Drive
Advance, NC 27006

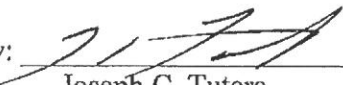
FROM: TI – Willow Haven, L.L.C.
7611 State Line Road, Suite 301
Kansas City, MO 64114

You are hereby notified that all of our rights and interests in that certain Asset Purchase Agreement dated January 12, 2017 for property located described as:

- (a) Willow Place Assisted Living Facility, a seventy-four (74) bed adult care facility located at 1703 Stonewall Road, Laurinburg, Scotland County, North Carolina 28352, which is legally described on Exhibit "A" hereto (the "Real Property"); and
- (b) All improvements which are in the process of being constructed upon the Real Property (the "Improvements").

to you has been assigned to Coffelt Land Title, Inc., Exchangor.

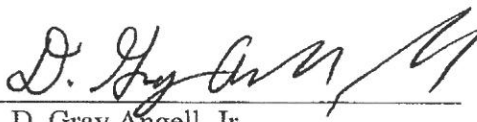
TI – Willow Haven, L.L.C.,
a Missouri limited liability company

By: 

Joseph C. Tutera
Its: Manager

Acknowledged and Approved:

Blue Ridge Health Investors, LLC

By: 

D. Gray Angell, Jr.
Title: Manager/Member

EXHIBIT "A"

LEGAL DESCRIPTION

FIRST TRACT: All of that certain tract or parcel of land lying and being in the City of Laurinburg, Stewartsville Township, Scotland County, North Carolina, and being more particularly described according to a survey and map thereof prepared by J. W. Wampler Engineering, Inc., dated March 16, 1998, as follows:

BEGINNING at an iron stake in the eastern margin of Pelham Drive, said iron stake being the northwest corner of Lot 26 and the southwest corner of Lot 25 of Lee Forest, Section One, in Book of Plats 8, Page 334, Scotland County Registry, North Carolina, and runs thence with the eastern margin of Pelham Drive and as said Drive curves to the right on a radius of 483.65 feet, an arc distance of 37.56 feet to a point, thence continuing with said eastern margin of Pelham Drive as said Drive curves to the left on a radius of 205.23 feet an arc distance of 115.86 feet to the P. T. of said curve, thence with said eastern margin North 36 degrees 25 minutes West 60.00 feet to the P. C. of another curve, thence as said Pelham Drive curves to the left on a radius of 307.23 feet, an arc distance of 32.98 feet to the northwest corner of Lot 23, thence with the dividing line between Lot 23 and 22, North 47 degrees 26 minutes East 90.0 feet to a point, thence continuing with said dividing line, North 06 degrees 23 minutes West 101.70 feet to an iron stake in the southern margin of Stonewall Road, thence with the southern margin of Stonewall Road and beyond, South 84 degrees 01 minute East 330.91 feet to a p.k. nail in the pavement, thence South 20 degrees 05 minutes East 255.32 feet to an iron stake, thence South 69 degrees 55 minutes West 247.98 feet to the southeast corner of Lot 25 of which this is a part, thence with the southern line of Lot 25, South 81 degrees 28 minutes West 140.00 feet to the point of BEGINNING and containing 2.78 acres, and being all of Lots 21, 23, 24 and 25 of Lee Forest, Section One and 1.63 acres of undivided Lee Forest Land.

SECOND TRACT: All of that certain tract or parcel of land lying and being in the City of Laurinburg, Stewartsville Township, Scotland County, North Carolina, and being more particularly described according to a survey and map thereof prepared by J. W. Wampler Engineering, Inc., dated March 16, 1998, as follows:

BEGINNING at a point in the southern margin of Stonewall Road extended, said point being the northeast corner of the 2.78 acres referred to hereinabove as Tract One, said point also being South 84 degrees 01 minute East 202.70 feet from the northeast corner of Lot 21, Lee Forest, Section One, see Book of Plats 8, Page 334, Scotland County Registry, and runs thence with the eastern line of the above mentioned 2.78 acre tract, South 20 degrees 05 minutes East 255.32 feet to an iron stake, said stake being the southeast corner of said 2.78 acres, thence North 69 degrees 55 minutes East 40.00 feet to a point, thence parallel with the first line, North 20 degrees 05 minutes West 235.75 feet to an existing iron stake in the southern margin of Stonewall Road, thence with the southern margin of Stonewall Road, North 84 degrees 01 minute West 44.53 feet to the point of BEGINNING, containing 0.22 acres.

THIRD TRACT: All of that certain tract or parcel of land lying and being in the City of Laurinburg, Stewartsville Township, Scotland County, North Carolina, and being more particularly described according to a survey and map thereof prepared by J. F. Wampler Engineering, Inc., dated March 16, 1998, as follows:

Lying east of and adjacent to Tract Number Two described above, and BEGINNING at a point in the southernmost right-of-way line of **Stonewall Road**, which said point marks the northeasternmost corner of the .22 acre tract of land conveyed to Beardan Corporation by deed recorded in Book 10-S, Page 196, Scotland County Registry, to which said deed reference is hereby made to more accurately locate the beginning corner, and runs thence as and with the southernmost right-of-way line of Stonewall Road South 84 degrees 1 minute East 103.59 feet to an iron stake; thence South 05 degrees 59 minutes West 211.77 feet to an iron stake, which said iron stake marks the southeasternmost corner of the aforesaid .22 acre tract of land; thence as and with the eastern line of the aforesaid .22 acre tract of land North 20 degrees 5 minutes West 235.75 feet, to the point and place of BEGINNING, and containing .252 acres, more or less.

The above described tracts or parcels of land are a portion of those same tracts conveyed to Abaris-Willow Haven NC, L.L.C., by Beardan Corporation, by Deed dated April 21, 1998, which Deed is recorded in Book 524, at Page 249, Scotland County Registry, reference to the same being hereby made for a description of grater certainty.

File No. Willow Place

ASSIGNMENT

Date: January 12, 2017

TO: Blue Ridge Health Investors, LLC
 142 Bermuda Village Drive
 Advance, NC 27006

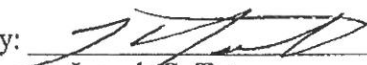
FROM: TI – Willow Haven, L.L.C.
 7611 State Line Road, Suite 301
 Kansas City, MO 64114

For value received, we hereby transfer, set over and assign all our rights and interest in and to that certain Asset Purchase Agreement dated January 12, 2017 for property located described as:

- (a) Willow Place Assisted Living Facility, a seventy-four (74) bed adult care facility located at 1703 Stonewall Road, Laurinburg, Scotland County, North Carolina 28352, which is legally described on Exhibit "A" hereto (the "Real Property"); and
- (b) All improvements which are in the process of being constructed upon the Real Property (the "Improvements").

to Coffelt Land Title, Inc., Exchangor.

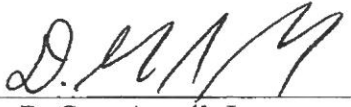
TI – Willow Haven, L.L.C.,
a Missouri limited liability company

By: 

 Joseph C. Tutera
 Its: Manager

Acknowledged and Approved:

Blue Ridge Health Investors, LLC

By: 

 D. Gray Angell, Jr.
 Title: Manager/Member

EXHIBIT "A"
LEGAL DESCRIPTION

2

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The above described tracts or parcels of land are a portion of those same tracts conveyed to Abaris-Willow Haven NC, L.L.C., by Beardan Corporation, by Deed dated April 21, 1998, which Deed is recorded in Book 524, at Page 249, Scotland County Registry, reference to the same being hereby made for a description of grater certainty.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), is made as of January 12, 2017 (the "Effective Date") by and between TI – WILLOW HAVEN, L.L.C., a Missouri limited liability company (the "Seller"), and BLUE RIDGE HEALTH INVESTORS, LLC, a North Carolina limited liability company (the "Purchaser").

RECITALS

A. Seller is the owner and operator of Willow Place Assisted Living Facility, a seventy-four (74) bed adult care facility located at 1703 Stonewall Road, Laurinburg, Scotland County, North Carolina 28352 (the "Facility").

B. Purchaser desires to purchase from Seller, and Seller desire to sell to Purchaser, the Assets (as hereinafter defined).

AGREEMENT

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

1. Assets; Excluded Assets. Seller hereby agrees to sell, and Purchaser hereby agrees to purchase, upon the terms and conditions set forth in this Agreement, the following assets (the "Assets") consisting of:

(a) The real property commonly known as at 1703 Stonewall Road, Laurinburg, Scotland County, North Carolina 28352 which is legally described on Exhibit "A" hereto (the "Land");

(b) All buildings and all other structures, facilities or improvements presently or hereafter located in or on the Land (the "Improvements");

(c) All fixtures, furniture, systems, equipment and items of tangible personal property of Seller attached or appurtenant to, located on and used in connection with the ownership, use, operation or maintenance of the Land or the Improvements, and all trademarks, service marks and trade names (specifically including "Willow Place") and all goodwill related thereto related to Seller's operation of the Facility, including, but not limited to, "Willow Place Assisted Living Facility" (collectively, the "Personal Property"); and

(d) All right, title and interest, if any, of Seller in and to any assignable easements, licenses, rights and appurtenances relating to any of the foregoing.

Additionally, without additional consideration and pursuant to the OTA (as defined below), Seller agrees to assign and convey to Purchaser's designee ("**New Operator**") who will operate the Facility following the Closing (as defined below) pursuant to the New Lease (as defined below), the following assets:

(i) Subject to the terms of the OTA, to the extent assignable, any and all agreements with residents and patients of the Facility (the "**Resident Agreements**");

(ii) Subject to the terms of the OTA, to the extent assignable, any and all of the agreements and contracts (collectively, the "**Contracts**") benefiting and/or relating to the ownership, management and/or operation of the Facility as elected by Purchaser;

(iii) Subject to the terms of the OTA, all existing inventory, supplies and consumables used in connection with the operation of the Facility. Subject to the terms of the OTA, Seller agrees that at all times between the Effective Date and Closing, Seller shall maintain levels of Inventory at the Facility consistent with the prior practice of Seller in the operation of the Facility in the ordinary course and that, in any event, are not below the minimum required under applicable state law;

(iv) Subject to the terms of the OTA, to the extent assignable, any and all governmental licenses, approvals and permits (the "**Governmental Permits**") relating to the Facility, including, without limitation, the Certificate of Need, if any, for the operation of the Facility, provided that New Operator shall obtain all necessary licenses, and any provider agreements and shall be responsible to obtain any required approvals for the transfer or issuance of necessary Governmental Permits for the operation of the Facility; and

(v) Subject to the terms of the OTA, any and all intangible property owned in whole or in part, directly or indirectly, beneficially and/or of record, by Seller, and used in connection with the operation of the Facility.

The Assets assigned to Purchaser or New Operator hereunder shall not include any of those assets set forth on **Exhibit "B"** attached hereto (collectively, the "**Excluded Assets**").

2. **Earnest Money; Purchase Price.**

(a) The purchase price for the Assets shall be \$1,550,000.00 (the "**Purchase Price**"), which shall be paid by Purchaser to Seller in immediately available funds at Closing.

(b) On the Effective Date, Purchaser shall deliver to Blanco Tackabery & Matamoros, P.A. (the "**Escrow Agent**"), by wire transfer of immediately available funds, the sum of \$50,000 (the "**Deposit**"). The Deposit will be held and disbursed by the Escrow Agent in accordance with this Agreement. The Deposit shall be non-refundable following the expiration of the Inspection Period (as hereinafter defined) unless Purchaser terminates this Agreement in accordance with another provision hereunder.

3. **Closing.** The closing of the purchase and sale of the Assets (the "**Closing**") shall take place on the last business day of the month (to be effective as of the first day of the following month) (the "**Closing Date**") following the approval of all license applications and other governmental approvals required for Purchaser to acquire and begin operating the Assets. The parties shall use all reasonable efforts to close the transaction on or before February 28, 2017. The allocation of any closing costs among the parties as customary in North Carolina.

4. **Inspection Period.** Purchaser shall have until January 31, 2017 (the "**Due Diligence Review Period**") in which to review the Assets and business operations of the Facility. Following expiration of the Due Diligence Review Period, the Deposit shall be non-refundable unless Purchaser terminates this Agreement in accordance with another provision hereunder. Seller shall promptly comply with all reasonable requests for information made by Purchaser, including providing Purchaser and its agents with access to any books, records and third party reports relating to the Assets to be purchased for the purpose of inspecting them, including, without limitation, access to the Assets for purposes of appraisal, survey, inspection and testing; provided, however, that any visit or inspection must be arranged in advance with Seller.

5. **Financing Contingency.** Purchaser shall have until January 31, 2017 to secure a commitment for a loan from a third party lender in an amount not less than \$1,250,000, with an interest rate of not more than five and one-half percent (5.5%) per annum, an amortization period of not less than twenty (20) years and a term of not less than five (5) years (the "**Financing Commitment**"). If Purchaser fails to timely secure such Financing Commitment, Purchaser shall notify Seller in writing on or before January 31, 2017; provided, however, that in such event, Seller shall have until February 3, 2017 to elect to either: (a) issue Purchaser a Financing Commitment which contains the terms and conditions set forth above; or (b) agree to lease the Facility to Purchaser upon terms which are economically equivalent to the terms of the Financing Commitment.

6. **Title Commitment.** On or before the Effective Date, Seller shall order, at Seller's expense, a title commitment for the Land (the "**Title Commitment**") from Investors Title Insurance Company (the "**Title Company**"). Additionally, Purchaser shall have the right to obtain an ALTA survey of the Facility (the "**Survey**"). Purchaser shall order the Survey within five (5) days following the Effective Date; provided, however, the parties acknowledge that the Survey cannot be completed until the surveyor is provided with a copy of the Title Commitment and copies of all listed title exception documents. Purchaser shall have ten (10) days following receipt of the Survey (or the Title Commitment if a Survey is not timely ordered) in which to object, in writing, to any exceptions or other matters disclosed in either the Title Commitment and/or the Survey. Seller shall thereafter have until three (3) days prior to the Closing Date in which to cure any matters to which Purchaser has timely objected. In the event that Seller fails to timely cure any such matters as provided herein, Purchaser may either: (a) elect to terminate this Agreement by written notice to Seller; or (b) elect to waive such title objections and proceed to the Closing subject to those matters, whereupon Purchaser shall have no claims against Seller with respect to such title objections. Any matter appearing in the Title Commitment which is not timely objected or which exists as of the Closing shall constitute a

“Permitted Exception” to title. Notwithstanding anything to the contrary contained herein, Seller shall be obligated to cause the release or satisfaction of any of the following objections to title:

(i) All deeds of trust, mortgages, security deeds, UCC financing statements or other security instruments granted affecting the Facility or any part thereof (collectively, the **“Debt Instruments”**);

(ii) All fines, past due taxes or assessments of any kind constituting a lien against Facility to the extent such assessments can be cured by the payment of money;

(iii) All mechanic’s, materialmen’s or similar liens (collectively, the **“Mechanic’s Liens”**) asserted or filed against the Facility; and

(iv) All liens and monetary judgments which have attached to and become a lien against the Facility (collectively, the **“Monetary Liens”**).

7. **Phase I Environmental Report.** Seller does not have a Phase I environmental report in its possession. Should Purchaser desire an updated Phase I environmental report, Purchaser shall order such updated Phase I environmental report, at Purchaser’s cost, within five (5) days following the Effective Date.

8. **Conditions to Closing/Closing Delivery Obligations.**

(a) **Purchaser’s Conditions.** Unless waived by Purchaser, Purchaser’s obligation to pay the Purchase Price and to accept title to the Assets shall be subject to compliance by Seller with or the satisfaction of the following conditions precedent:

(i) Possession of the Assets shall be delivered to Purchaser free and clear of all tenancies and other occupancies except for the Resident Agreements and Permitted Exceptions.

(ii) The representations and warranties made by Seller in this Agreement shall be true and complete in all material respects as of the Closing Date.

(iii) Seller shall have performed in all material respects, all of Seller’s duties and obligations (including payment of sums required to be paid by Seller) set forth herein and/or in the OTA which are required to be performed prior to Closing.

(iv) There are no written notices of violations of governmental orders or requirements noted or issued by any governmental authority relating or affecting the Assets.

(v) New Operator shall have received any regulatory approval necessary for New Operator’s operation of the Facility including, but not limited to, any licenses necessary for such operations, provided, however, that Purchaser and New Operator shall have diligently pursued all such approvals.

(vi) All necessary consents or approvals of government bodies or other applicable third parties shall have been obtained.

(vii) No material adverse changes shall have occurred with respect to the Facility, the operations thereof or the business prospects of the operations between the end of the Due Diligence Review Period and the Closing Date.

(viii) Title Company shall issue, at Closing, an owner's policy of title insurance in form and content acceptable to Purchaser, with all standard exceptions deleted provided Purchaser has obtained the Survey with any additional endorsements and/or extended coverage that Purchaser may request, with such additional endorsements and/or extended coverage to be issued at Purchaser's sole cost and expense.

(b) **Seller's Deliveries.** Seller shall deliver to Title Company the following, each of which shall be in form and substance reasonably satisfactory to Purchaser and Seller:

(i) A special warranty deed (the "**Deed**"), duly executed by Seller, conveying to Purchaser the Land and Improvements;

(ii) A bill of sale (the "**Bill of Sale**"), duly executed by Seller, conveying to Purchaser the Personal Property;

(iii) An Assignment and Assumption Agreement (the "**Assignment**"), duly executed by Seller, assigning to Purchaser or its designee the Assumed Agreements;

(iv) An Operations Transfer Agreement (the "**OTA**"), substantially in the form set forth on **Exhibit "C"** attached hereto, duly executed by Seller, setting forth the details pertaining to the transfer of the operations of the Facility to New Operator, together with all assignments and other documents required thereby;

(v) Owner's Affidavits and Certificates (including a FIRPTA Affidavit) in a form reasonably requested by Title Company;

(vi) A settlement statement properly reflecting all financial terms, payments, costs, adjustments and other financial obligations of the parties in connection with the sale of the Assets (the "**Settlement Statement**"); and

(vii) Such other instruments of transfer and other instruments, affidavits, agreements, certificates, and documents as Purchaser or Title Company may reasonably request in order to consummate Purchaser's purchase of the Assets (including, without limitation, a gap indemnity agreement).

(c) **Seller's Conditions.** Unless waived by Seller, Seller's obligation to deliver title to the Assets to Purchaser shall be subject to compliance by Purchaser with or the satisfaction of the following conditions precedent:

(i) Purchaser shall have provided evidence of the payment of the Purchase Price and other closing expenses as reflected in the Settlement Statement.

(ii) Purchaser or its designee shall have provided evidence of that its license application has been approved and that a license will be issued by the State of North Carolina in the name of New Operator immediately upon Closing.

(iii) the representations and warranties made by Purchaser in this Agreement shall be true and complete in all material respects as of the Closing Date and Purchaser shall be in full compliance with the terms and provisions of this Agreement, in each case subject only to exceptions permitted by this Agreement.

(d) **Purchaser's Deliveries.** Purchaser shall deliver to Title Company the following, each of which shall be in substantially the form attached hereto as exhibits, or, if not attached as exhibits, in form and substance reasonably satisfactory to Purchaser and Seller:

(i) A counterpart of the Settlement Statement duly executed by Purchaser; and

(ii) Such other instruments of transfer and other instruments, affidavits, agreements, certificates, and documents as Seller or Title Company may reasonably request in order to consummate Seller's sale of the Assets.

(e) **Conditions Generally.** The conditions set forth herein are for the benefit only of the party for whom they are specified to be conditions precedent and such party may, in its sole discretion, waive any or all of such conditions and close under this Agreement without any increase in, abatement of or credit against the Purchase Price.

9. **Apportionments.**

(a) The following items shall be apportioned as of the Closing Date:

(i) Real estate taxes, assessments, water, vault and sewer charges and rents, and personal property taxes, based on the rates and assessed valuation applicable in the fiscal year for which assessed; provided that if the Closing shall occur before the applicable tax rate or valuation is fixed, the apportionment of said taxes shall be based on the parties' good faith estimate of the new tax rate (but shall be no less than the preceding years tax rate), and shall be finally adjusted and any necessary payments shall be made at such time as the applicable tax bill for the current year is issued.

(ii) All charges and payments for utility services which are not charged directly to residents of the Facility; provided that if there is no meter or if the current bill for any of such utilities has not been issued prior to the Closing Date, the charges therefor shall be adjusted at the Closing on the basis of the charges for the prior period for which bills were issued and shall be further adjusted when the bills for the current period are issued.

If any of the foregoing cannot be apportioned at the Closing because of the unavailability of the amounts which are to be apportioned or are apportioned on the basis of estimates, such items shall be apportioned or reapportioned, as applicable, as soon as practicable after the Closing Date. Any errors in calculation or apportionment shall be subject to appropriate adjustment post-Closing. The parties shall endeavor to complete any such reapportionment or adjustment within ninety (90) days thereafter.

(b) The obligations of the parties hereto under this section shall survive the Closing.

10. **Seller's Representations and Warranties.** Seller represents and warrants to Purchaser, as of the Effective Date, as follows:

(a) Seller is a limited liability company that has been duly formed and is validly existing and in good standing under the laws of the State of Missouri and is authorized to do business and to own real property in the State in which the Facility is located.

(b) Seller has full power and right to enter into and perform its obligations under this Agreement and the other documents, including, without being limited to, conveying the Assets as herein provided.

(c) At Closing, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby: (A) will have been duly authorized by all necessary action on the part of Seller, and (B) will not result in the breach of any agreement, indenture or other instrument to which Seller is a party or is otherwise bound or of any judicial decree, statute or regulation to which Seller or the Assets is subject.

(d) There is no pending litigation or proceeding (by any person, governmental or quasi-governmental agency or authority or otherwise) against Seller or with respect to the Assets which might materially adversely affect the ownership, use, occupancy, value, operation or title of the Assets or may affect or concern any of the subject matter of this Agreement, nor has Seller received written notice of the threat of any of the foregoing, nor, to Seller's actual knowledge, is any of the foregoing currently being threatened or investigated.

(e) Seller is a "non-foreign person" within the meaning of Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations issued thereunder.

(f) Seller has received no written notice from any governmental authority stating that the Assets in any material way violate any applicable statute, law, regulation, rule, ordinance, order or permit of any kind whatsoever affecting the Assets or any part thereof ("Applicable Laws").

(g) Seller has not generated, stored or disposed of any hazardous waste on the Land other than in the ordinary course of operating an assisted living facility, nor, to Seller's actual has any other person or entity. The term "hazardous waste" shall mean "hazardous waste", "toxic substances" or other similar or related terms as defined or used from time to time in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6921, et seq.) and regulations adopted thereunder.

(h) All tax returns, reports and filings of any kind or nature, including certified audits, required to be filed by Seller prior to the Closing Date which relate to the operations of the Facilities prior to the Closing Date have been or will be completed and timely filed (taking into account extensions granted or automatically available) by Sellers. All Federal and State income tax, sales, franchise, provider and payroll tax returns and reports required by law to be filed by Seller prior to the date of this Agreement (giving effect to all extensions of time) (collectively the "Tax Returns") have been properly and timely filed (subject to the right to extend or delay the filing thereof), and correctly reflect in all material respects the tax position of Seller. All taxes respectively due under such Tax Returns have been paid thereby or will be paid in the ordinary course. All Tax Returns filed by Seller after the date hereof, covering periods prior to the Closing Date, will be properly and timely filed and all taxes due for all periods prior to the Closing Date will be timely paid thereby.

(i) Seller is the owner of good title to the Assets, free from all security interests, liens and encumbrances, other than the liens to be satisfied at Closing.

(j) There is no condemnation or eminent domain proceeding affecting the Property now pending or, to the knowledge of Seller, threatened.

(k) As of the date hereof, there is no action, suit, legal or arbitration proceeding pending or, to Seller's knowledge, threatened against or affecting the Facility, including, without limitation, condemnation, which reasonably would be expected to have a material adverse effect or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement

(l) Seller shall continue to operate the Assets in the normal course of business pending Closing and Seller shall not undertake to relocate, discharge or transfer any resident out of the Facility, except for medical necessity or personal choice of such resident, prior to the Closing Date.

(m) To Seller's actual knowledge, there are no occupancy rights (written or oral), leases or tenancies presently affecting the Assets other than the resident agreements.

(n) To Seller's actual knowledge, the permits and licenses listed on Exhibit "D" hereto are all of the material certificates, licenses and permits from governmental authorities held by Seller in connection with the ownership, use, occupancy, operation and maintenance of the Assets.

(o) There are no persons, pursuant to union collective bargaining arrangements or other contracts of employment fixing the wages, hours and conditions of employment or otherwise, employed at or with respect to the Assets. All employee records (including, without limitation, all employee employment applications, W-4's, I-9's and any disciplinary reports) (collectively, the "Employee Records") retained at the Facility represent all Employee Records in Seller's possession or control as of the date hereof and the Closing Date.

(p) To Seller's knowledge, there are no pending or threatened actions or proceedings, nor has any claim or has any reasonable basis for any claim, against Seller arising out of any statute, ordinance or regulation relating to wages or hours, collective bargaining, discrimination in employment or employment practices or occupational safety and health standards (including, but not limited to, the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, as amended, the Occupational Safety and Health Act, the Age Discrimination in Employment Act of 1967 or the Americans With Disabilities Act of 1990). No present or former employee has filed or asserted any claim, or to the best of Sellers' knowledge has any claim or has any reasonable basis for any claim, against Seller (whether under federal or state law or under any employment agreement or collective bargaining agreement) on account of or for (i) overtime pay other than overtime pay for the current payroll period, (ii) wages or salary for any period other than the current payroll period and bonuses and amounts accruing under any employee benefit plans in accordance with the terms of such plans, (iii) any violation of any statute, ordinance or regulation relating to minimum wages or maximum hours of work, or (iv) collective bargaining, discrimination in employment or employment practices, occupational safety and health standards. None of any such claims shall result in any liability to or obligation of Purchaser, or lien or encumbrance against the Facility. Seller is in compliance in all material respects with the terms and provisions of the Immigration & Nationality Act of 1990 (8 U.S.C. §1101 *et seq.*) in all material respects with respect to the Facility.

(q) There is no "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974 as amended ("ERISA")) maintained by Seller or to which Seller contributes or is required to contribute.

(r) Seller currently maintains, and for at least the past two (2) years have maintained, fire, liability, and other forms of insurance, including without limitation, professional and medical liability and personal injury insurance, on an claims made basis per claim and annual aggregate covering Seller for professional, medical and nursing

liability all in the amounts set forth on Schedule 10(r). Seller currently and for at least the past two (2) years has maintained workers compensation insurance in the minimum amounts required by the State of North Carolina. There has been no lapse in insurance or workmen's compensation during the past three (3) years, and copies of all claims and settlements with respect thereto have been delivered to Purchaser.

(s) No consent or approval by any governmental agency or authority or any non-governmental person or entity is required in connection with the execution, performance and delivery by Sellers of this Agreement or the consummation by Sellers of the transactions contemplated herein.

(t) Seller has delivered to Purchaser financial statements of the Facility (including balance sheets and related income statements (including related notes and schedules, if any) as of the years ending December 31, 2014 and 2015, and interim financial statements for the nine (9) months ending September 30, 2016 (collectively, the "Seller Financial Statements"). All Seller Financial Statements fairly and accurately present in all material respects the financial position of Sellers, the results of operations of the Facilities for the periods specified as of the dates thereof, and the results of operations for the periods then ended, subject in the case of the unaudited financials, to audit adjustments.

(u) Other than Marcus & Millichap ("Broker"), no investment banker, broker, finder or other intermediary has been retained by or is authorized to act on behalf of Seller who might be entitled to any fee or commission from Purchaser upon consummation of the transactions contemplated by this Agreement. At Closing, Seller agrees to pay all commissions and other amounts due to Broker and Seller hereby agrees to indemnify, defend and hold Purchaser harmless from any and all loss, cost, liability or expense (including but not limited to attorneys' fees and returned commissions) resulting from any claim for real estate commissions by any person or entity (including, without limitation, Broker) claiming by or through Seller or by any entity affiliated with Seller.

The representations and warranties of Seller set forth in this Agreement (and as re-made at Closing pursuant to this Agreement) shall survive the Closing but shall expire and terminate on the first anniversary of the Closing Date (the "Survival Period").

11. Purchaser's Representations and Warranties. Purchaser represents and warrants as follows:

(i) Purchaser is a limited liability company that has been duly organized and is validly existing under the laws of the State of North Carolina;

(ii) Purchaser has full power and right to enter into and perform its obligations under this Agreement and the other documents contemplated herein to be executed and delivered by it; and

(iii) At Closing, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Purchaser shall have been duly authorized by all necessary actions on the part of Purchaser, and will not result in the

breach of any agreement, indenture or other instrument to which Purchaser is a party or is otherwise bound.

The representations and warranties of Purchaser set forth in this Agreement (and as re-made at Closing pursuant to this Agreement) shall survive the Closing but shall expire and terminate upon expiration of the Survival Period.

12. **Default.**

(a) **Default by Seller.** If Seller fails to perform any of the covenants and agreements contained herein to be performed by Seller within the time for performance as specified herein (including Seller's obligation to close), Purchaser may elect either to (i) terminate Purchaser's obligations under this Agreement by written notice to Seller, with a copy to Escrow Agent, in which event the Deposit shall be returned immediately to Purchaser and neither party shall have any further liability under this Agreement except as otherwise expressly provided hereunder; or (ii) file an action for specific performance, and in such event, Purchaser shall be entitled to recover its attorney fees.

(b) **Default by Purchaser.** If Purchaser fails to perform any of the covenants and agreements contained herein to be performed by Purchaser within the time for performance as specified herein (including Purchaser's obligation to close), then Seller's sole and exclusive remedy shall be to terminate Seller's obligations under this Agreement by written notice to Purchaser, with a copy to Escrow Agent, in which event the Deposit shall be returned immediately to Purchaser and neither party shall have any further liability under this Agreement except as otherwise expressly provided hereunder.

13. **Indemnification.**

(a) **Indemnification by Seller.** Seller hereby indemnifies and holds Purchaser harmless from any and all claims, losses, damages or expenses, including attorney's fees (herein "**Losses**") as a result of: (i) the inaccuracy of any warranty or representation made in this Agreement by Seller; (ii) any claims arising from or based upon the operation of the Facility, including any claims against the independent contractors currently in a business relationship with Seller, Seller or the Assets at any time prior to the consummation of the transaction contemplated herein on the Closing Date or (c) any "**Excluded Liability**". For purposes hereof, "**Excluded Liability**" shall mean any of the foregoing: (A) the accounts payable of Seller; (B) accrued expenses of Seller; (C) unpaid claims or premiums relating to Seller's programs of unemployment and workers' compensation; (D) any gain on sale and any recapture that may be recognized under the Medicaid and other third-party payor programs based on the transactions herein contemplated; (E) all employee claims made by employees of Seller; (F) liabilities associated with any pension plan, welfare benefit plan, or any other benefit plan or arrangement sponsored by Seller; (G) third-party payor settlements, retroactive adjustments, overpayments, recoupments, and fines, penalties, and assessments, if any, arising under the Medicaid Program and other third-party payor programs; (H) liabilities or obligations arising out of any Contracts not assumed by New Operator or arising out of any breach by Seller of any Contracts assumed by New Seller; (I) the professional

liability claims or other claims for acts or omissions of Seller; (J) any unpaid franchise permit or similar fees, including fees that are accrued but not yet due and payable; (K) any survey findings and implementation of any corrective action or enforcement remedy, including fines, penalties, and assessments, if any; (L) any liabilities with respect to the Excluded Assets; and (M) any other liability related to the acts or omissions of Seller with respect to the Facility prior to the Closing Date.

(b) **Indemnification by Purchaser.** Purchaser hereby indemnifies and holds Seller harmless from any and all Losses as a result of the inaccuracy of any warranty or representation made by this Agreement by Purchaser.

14. **Brokers.** Seller shall be solely obligated to pay any and all commissions due to any party resulting from the sale of the Assets, including Broker. Purchaser hereby represents that Purchaser is not represented by a broker in connection with this transaction.

15. **Notices.** All notices and other communications required or permitted under this Agreement shall be deemed to have been duly given and made in writing, (i) if served by personal delivery to the party for whom intended (which shall include overnight delivery by Federal Express or similar service), to the address provided for such party set forth below, or such other address as may be designated by writing hereafter by such party, or (ii) is sent by email to the email address set forth below, or such other email address as may be designated in writing hereafter by such party and immediately confirmed by sending a copy of such notice by either method described herein.

Seller: TI – Willow Haven, L.L.C.
7611 State Line Road, Suite 301
Kansas City, MO 64114
Attn: Joseph C. Tutera
Email: JCT@Tutera.com

*MFF: Willow Haven
FID 921348*

With a copy to: Michael F. Flanagan, Esq.
7611 State Line Road, Suite 303
Kansas City, MO 64114
Email: MikeFlanagan@MFFLLC.com

NR 10 2158

Purchaser: Blue Ridge Health Investors, LLC
142 Bermuda Village Drive
Advance, NC 27006
Attn: D. Gray Angell, Jr.
Email: gray.angell@yahoo.com

Bus ID 2564

ID 241

With a copy to: Blanco Tackabery & Matamoros, P.A.
110 South Stratford Road, Suite 500
(PO Box 25008)
Winston-Salem, NC 27104 (27114-5008)
Attn: George E. Hollodick
Email: geh@blancolaw.com

16. **Confidentiality.** Except as otherwise required by law, Seller and Purchaser agree to keep this Agreement and its contents strictly confidential and not disclose the same to any third party except those required to effectuate the execution of the Purchase Agreement and the sale and purchase of the Assets without the written consent of the other party. Except as required by law, any release to the public of information with respect to the matters set forth herein prior to Closing will be made only in the form and manner approved by the parties.

17. **Seller's Disclaimer.** PURCHASER IS PURCHASING THE ASSETS "AS IS, WHERE IS", WITH ALL FAULTS, INCLUDING, BY WAY OF EXAMPLE, AND WITHOUT LIMITATION, WITH RESPECT TO ITS TITLE, PHYSICAL CONDITION, VALUE, ENVIROMENTAL CONDITION, COMPLIANCE WITH LAWS, RULES AND REGULATIONS, AND PAST AND FUTURE INVESTMENT PERFORMANCE, EXCEPT AS MAY BE OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY DOCUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING PURSUANT TO THIS AGREEMENT. SUBJECT ONLY TO ANY RIGHTS PURCHASER MAY HAVE AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY DOCUMENT EXECUTED AND DELIVERED BY SELLER AT CLOSING PURSUANT TO THIS AGREEMENT SPECIFICALLY INCLUDING THE OTA), IF ANY, PURCHASER ASSUMES ALL RISKS REGARDING THE ASSETS, INCLUDING, BY WAY OF EXAMPLE, AND WITHOUT LIMITATION, ANY ISSUES AFFECTING TITLE TO THE LAND, ANY DEFECTS, DAMAGE OR ADVERSE CONDITIONS PERTAINING TO THE PHYSICAL CONDITION OF THE ASSETS, OR ANY LOSS, DIMINUTION IN VALUE, OR INJURY TO THE ASSETS ARISING FROM ANY ENVIROMENTAL CONDITION OR GOVERNMENTAL LAWS, RULES OR REGULATIONS, DECISIONS OR POLICIES PERTAINING TO THE PRESENT OR FUTURE USE, OCCUPANCY, OPERATIONS, MAINTENANCE, REPAIR, IMPROVEMENT, OWNERSHIP OR DISPOSITION OF THE ASSETS OR ANY PART THEREOF OR ANY MATTERS RELATED TO THE PAST OPERATION OF THE ASSETS OR ANY RIGHTS OF TENANTS OR OTHER OCCUPANTS. PURCHASER ACKNOWLEDGES THAT IT HAS BEEN AFFORDED THE OPPORTUNITY TO CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE ASSETS AS PURCHASER DEEMS APPROPRIATE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING.

18. **1031 Exchange.** Notwithstanding anything in to the contrary contained herein, it is understood and agreed that either party (the "**Exchanger**") shall have the option, exercisable by giving notice to other party prior to the Closing Date, of effecting a like-kind exchange of any part of its interest in the Property (the "**Interest**") by assigning (the "**Assignment**") its rights in this Agreement to any third party (the "**Intermediary**") who shall have contracted with Exchanger to exchange therefore property or other consideration ("**Exchange Property**"), at such times as shall be designated in the contract between Exchanger and the Intermediary; provided, however, that Exchanger shall remain responsible for its obligations under this Agreement and shall execute such documents as the other party shall reasonably request to affirm its obligations hereunder. The other party shall reasonably cooperate with Exchanger and execute such documents as are reasonably necessary for Exchanger to effect such exchange; provided, however, the other party shall not be obligated to incur any expense, and, provided, further, the other party shall not serve as intermediary. Exchanger hereby agrees to indemnify, defend and hold the other party harmless of and from any and all liabilities, claims, demands and

expenses of any kind or nature (including, without limitation, reasonable attorney's fees) which it reasonably incurs or suffers as a result of or in connection with a like-kind exchange contemplated by this Section. Exchanger hereby acknowledges and agrees that the other party neither warrants nor represents that an exchange of the Property for the Exchange Property will qualify for tax deferred exchange treatment pursuant to Section 1031 of the Internal Revenue Code of 1986 or otherwise.

19. Miscellaneous.

(a) This Agreement constitutes the entire agreement of the parties hereto and may not be modified or canceled except pursuant to the terms hereof or an instrument in writing signed by the parties hereto. The Exhibits annexed hereto are hereby incorporated herein by reference as fully as though set forth herein.

(b) The headings of the various sections of this Agreement have been inserted only for the purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, qualify or restrict any of the provisions of this Agreement.

(c) This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

(d) This Agreement shall bind and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto; provided, however, that neither party hereto shall assign this Agreement without the prior written consent of the other party, provided, however, that Purchaser shall be entitled, without the prior written consent of Seller, to assign this Agreement to any affiliate of Purchaser or to an entity managed or controlled by an affiliate of Purchaser. In the event of any such assignment, Purchaser shall deliver a written assignment certifying compliance with the requirements of the foregoing sentence. Any assignment not permitted hereunder and undertaken without such prior written consent shall be deemed null and void.

(e) Nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement.

(f) 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 Assets to Purchaser.

(g) Seller and Purchaser shall, after the Closing, provide to the other such further assurances as may reasonably be required hereunder to effectuate the purposes of this Agreement so long as the same do not increase the liability or obligation of the party providing such assurance or cause such party to incur any expense.

(h) 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.

(i) Time is of the essence of each and every obligation of the parties to this Agreement and shall be of the essence of each and every such obligation contained in any amendment to this Agreement, whether or not time is specified to be of the essence in any such amendment.

(j) The interpretation, enforcement and performance of this Agreement shall be governed by the laws of the State of North Carolina.

(l) Seller agrees that Purchaser is an intended third party beneficiary of all of Seller's agreements, covenants and indemnifications set forth in the OTA.

20. Risk of Loss/Condemnation.

(a) If any part of the Facility is destroyed or damaged by fire or other casualty prior to Closing, then Seller shall notify Purchaser of such destruction or damage. Purchaser shall have the right (i) either to terminate this Agreement (even if such event occurs after expiration of the Due Diligence Review Period), or (ii) waive such right to terminate, whereupon the Seller shall assign to Purchaser, at Closing, Seller's rights, title and interests, if any, to any and all casualty insurance proceeds which may be payable in respect of such damage and destruction and shall credit Purchaser's obligation to pay the Purchase Price by the amount of the "deductible" to Seller's insurance coverage. Seller shall also deliver to Purchaser at Closing any insurance proceeds payable to Seller in respect of such damage which may have been received by Seller prior to Closing as a result of any occurrence described hereinabove unless used for the repair or restoration of the Facility, or which was paid to Seller's mortgagee, in which event Purchaser shall receive a credit for such amount at Closing.

(b) In the event of any condemnation or conveyance in lieu of condemnation of any part of the Facility subsequent to the end of the Due Diligence Review Period, Seller shall notify Purchaser, and Purchaser shall have the option to terminate this Agreement on written notice on or before Closing (even if such event occurs after expiration of the Investigation Period). If Purchaser does not exercise its right to terminate, the Seller shall assign to Purchaser, at Closing, Seller's rights, title and interests, if any, to receive the condemnation proceeds or proceeds for sale in lieu of condemnation payable in connection with such taking or sale. In such event, the Seller shall also deliver to Purchaser at Closing any condemnation proceeds or proceeds from sale in lieu of condemnation which may have been received by Seller prior to Closing unless used for the repair or restoration of the Facility, or which is was paid to Seller's mortgagee, in which event Purchaser shall receive a credit for such amount at Closing.

(c) Possession of the Facility shall pass to Purchaser at the Closing. Seller shall bear the risk of loss of the Properties prior to the Closing. Purchaser shall bear the risk of loss of the Facility from and after the Closing.

21. Escrow Agent. Escrow Agent shall hold the Deposit on the following terms and conditions:

(a) Seller and Purchaser hereby appoint Escrow Agent to serve as escrow agent in accordance with the provisions of this Agreement, and Escrow Agent hereby accepts such appointment and agrees to hold in trust, administer, and disburse the Deposit in accordance with this Agreement. All fees and expenses of Escrow Agent shall be paid by Purchaser (except as otherwise provided in **subsection (k)** below).

(b) By its execution hereof, Escrow Agent acknowledges receipt of Fifty Thousand and 00/100 Dollars (\$50,000.00) from Purchaser. The Deposit shall be held by Escrow Agent in a non-interest bearing account with a federally insured bank.

(c) The duties of Escrow Agent shall be only as expressed under this Agreement and Escrow Agent shall have no implied duties. The permissive right or power to take any action shall not be construed as a duty to take action under any circumstances and Escrow Agent shall not be liable except in the event of its gross negligence or willful misconduct.

(d) Escrow Agent shall not be obligated to risk its own funds in the administration of the account. Escrow Agent need not take any action under the Agreement which may involve it in any expense or liability until indemnified to its satisfaction for any expense or liability it reasonably believes it may incur.

(e) Escrow Agent shall not be required to give any bond or surety or report to any Court despite any statute, custom or rule to the contrary.

(f) Any notice to or demand to Escrow Agent shall be deemed given only upon actual receipt with written notice sent via hand-delivery (receipt acknowledged), via overnight delivery by a reputable national delivery company, or by certified U.S. mail, return receipt requested, postage prepaid and addressed: Blanco Tackabery & Matamoros, P.A., PO Box 25008, Winston-Salem, North Carolina 27114-5008, attention: George E. Hollodick.

(g) Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons.

(h) Escrow Agent may at any time resign from the position created in the Agreement by giving thirty (30) days' written notice by registered or certified mail to Seller and Purchaser and such resignation shall take effect at the end of such thirty (30) days or upon earlier appointment of a successor. In the event of the resignation of Escrow Agent, (a) Purchaser and Seller shall mutually appoint a successor escrow agent who, upon receipt of the Deposit, shall assume the obligations and duties of Escrow

Agent hereunder, or (b) if Purchaser and Seller are unable to agree upon a successor, then Escrow Agent may deliver the Deposit to the Scotland County, North Carolina Clerk of Court, and upon either of such events, Escrow Agent shall be relieved of further duties and liabilities hereunder.

(i) In the event Escrow Agent becomes involved in litigation by reason hereof, it is hereby authorized to deposit with the clerk of the court in which the litigation is pending any and all funds, securities, or other property held by it pursuant hereto, less its fees, expenses and advances, and thereupon shall stand fully relieved and discharged of any further duties hereunder. Also, in the event Escrow Agent is threatened with litigation by reason hereof, it is hereby authorized to implead all interested parties in any court of competent jurisdiction and to deposit with the Forsyth County clerk of such court any such funds, securities, or other property held by it pursuant hereto, less its fees, expenses and advances, and thereupon shall stand fully relieved and discharged of any further duties hereunder.

(j) Escrow Agent need not take notice of or enforce any other document or relationship, including, without limiting the generality of the foregoing, any contract, settlement, arrangement, plan, assignment, pledge, release, decree or the like, but its duties shall be solely as set out in this Agreement.

(k) Seller and Purchaser hereby agree to jointly and severally indemnify and save harmless Escrow Agent from and against any loss, liability or expense reasonably incurred, arising out of or in connection with this Agreement, including the expense of defending itself against any claim or liability in the premises, but excluding any claim based on gross negligence or intentional misconduct. This indemnity obligation shall survive the Closing or termination of this Agreement.

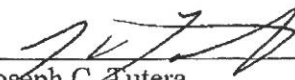
(l) Purchaser acknowledges that Escrow Agent is the counsel for Purchaser and nothing herein shall be deemed to limit any right of Escrow Agent to serve as Purchaser's counsel in connection with the Closing.

[Signatures appear on the following page.]

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


SELLER:

TI – WILLOW HAVEN, L.L.C.,
a Missouri limited liability company

By: 
Joseph C. Tutera
Title: Manager

PURCHASER:

BLUE RIDGE HEALTH INVESTORS, LLC,
a North Carolina limited liability company

By: 
D. Gray Angell, Jr.
Title: Manager