



**State of Tennessee**

**Health Facilities Commission**

665 Mainstream Drive, 2<sup>nd</sup> Floor, Nashville, TN 37243

[www.tn.gov/hfc](http://www.tn.gov/hfc)

Phone: 615-741-7221

June 24, 2025

Sent Via Email

Diana Siegel  
Adapt Health, LLC  
C/O Medical Necessities & Services, LLC  
220 West Germantown Pike Suite 250  
Plymouth Meeting, Pennsylvania 19462

Facility Type: Home Medical Equipment  
License Number: 415

Dear Diana Siegel:

It is my pleasure to inform you that your application for change of ownership of Medical Necessities & Services, LLC located at 1063 W Forest Avenue Jackson, Tennessee 38301 has been initially approved effective June 1, 2025. The license number shall be 415. For this initial approval to become final and permanent, your application must be ratified by the Commission pursuant to T.C.A. §68-11-206. The Board will consider your application at its next meeting, scheduled for July 23, 2025. **You are hereby authorized to commence operation pending the final decision of the Commission.** No further action is necessary on your part at this time.

If the Commission **does** ratify the approval of your application, the license number listed above will become your permanent license number and a letter will be forwarded to you within three (3) business days; notifying you of the Commission's final decision.

If the Commission **does not** ratify the initial approval of your application, a letter will be forwarded to you providing an explanation and specific instructions as to any action(s) you may take to have the decision reviewed, at which time this authorization shall cease to be effective.

Please contact me if I can be of further assistance.

Sincerely,

*Niraj Soni*

Niraj Soni, ASA 3  
Phone (615) 741-7539  
Fax: (615) 253-8798  
Email: [Niraj.Soni@tn.gov](mailto:Niraj.Soni@tn.gov)

cc: West Tennessee Regional Administrator



F-415  
App# 23576  
WTR0 / ITSD

**HOME MEDICAL EQUIPMENT  
APPLICATION FOR CHANGE OF OWNERSHIP**

*All applicable laws, rules, policies, and guidelines affecting your practice are available for viewing at <https://www.tn.gov/hfc/division-of-licensure-and-regulation/hfc-licensure/licensure-applications.html>. Please check this website periodically for updates.*

Name of the Facility/Agency Medical Necessities & Services LLC

**Location of the Facility:**

Street 1063 W Forest Ave City Jackson

County Madison State Tennessee Zip 38301

Phone Number ( 615 ) 347-4088 Fax Number ( 931 ) 388-7878

Twenty-four (24) Hour Emergency Phone Number ( 615 ) 347-4088

E-Mail Address credentialing@adapthealth.com

Does your facility have a physical location in the state of Tennessee? Yes X No     

**Administrator Information:**

Administrator Donald Chadwick Lamb

Have you (Administrator) ever been convicted of a crime involving injury or harm to person(s), financial or business management (e.g., assault, battery, robbery, embezzlement, or fraud)?

Yes      No X If yes, what charge(s)? N/A

Location of Conviction N/A N/A N/A Date N/A  
(City) (County) (State)

**Mailing address if different from the Facility location address:**

Name Medical Necessities & Services LLC

Street 555 E North Ln Ste 5075

City Conshohocken State Pennsylvania Zip 19428-2233

**Ownership of Building:**

Name West Tennessee Healthcare Inc Phone Number ( 731 ) 541-5000

Street 620 Skyline Dr

City Jackson State Tennessee Zip 38301

**FEE SCHEDULE: (FEES ARE NON-REFUNDABLE) - \$1,404**



Address 555 E North Ln Ste 5075 Conshohocken PA 19428-2233

6. a. If a corporation, is there a holding company? Yes X No       

b. If yes, list the name, address, and phone number of the holding company:

Name AeroCare Holdings LLC Phone Number (610) 424-4515

Street 555 E North Ln Suite 5075

City Conshohocken State PA Zip 19428-2233

7. a. Are any owners of the disclosing entity or also owners of other health care facilities in Tennessee and/or other states? Yes  No X *Verified 6/24/25 (N/A)*

c. If yes, list names and addresses of all such facilities: *(If additional space is needed, please use a separate sheet)*  
See attached

8. a. Do you have a contract with a management firm to operate this facility? Yes        No X

If yes, specify dates: From N/A To N/A

b. If yes, specify name of firm: N/A

Phone Number (        ) N/A

Address: N/A

9. For any item in (9) a-h below, please identify, explain, and provide documentation of the item(s) noted if response is "Yes". Have either the licensed entity for any of the other health care facilities in Tennessee and/or other states on the list in question (7.b.) above, OR the management firm listed in question (8.) above; been subjected to any of the following within the last (5) years:

a. Licensure

i) denied a license? Yes        No X

ii) had a license suspended or revoked by any state licensure agency? Yes        No X

iii) been subject to a final order or judgment in a state licensure action? Yes        No X

b. Convictions

i) convicted of a criminal offense related to that person's involvement in any program under any state or Federal health care program (including Medicare, Medicaid, and Tricare)? Yes        No X

c. Exclusion

i) excluded from participation in Federal health care programs (Medicare, Medicaid, CHIP, or Tricare) in the past? Yes        No X

*(Note: "Excluded" is defined as a provider or entity has been told by the Department of Health and Human Services, Office of the Inspector General (HHS-OIG) that they may no longer be a provider for any federally funded healthcare program).*

d. Termination/Suspension

i) suspended or terminated from participation in Medicare or Medicaid/TennCare programs? Yes        No X

*(Note: This would include involuntary termination of a nursing facility or skilled nursing facility by the Centers for*

*Medicare and Medicaid Services (CMS) or state Medicaid agency).*

**e. Fraud and Abuse**

i) paid through settlement, or civil or criminal fines, any monies to the federal government or any state as a result of any administrative or judicial proceeding based on allegations of fraud or abuse involving claims related to the provision of health care items and services? Yes \_\_\_\_\_ No X

**f. Corporate Integrity Agreement**

i) Is presently an entity covered by and subject the terms of a corporate integrity agreement? Yes \_\_\_\_\_ No X

*(Note: If yes, provide a copy of CIA)*

**g. Bankruptcy**

i) filed bankruptcy under any provision of the United States Bankruptcy Code? Yes \_\_\_\_\_ No X

**h. Civil Monetary Penalty(CMP)**

i) paid to the Centers for Medicare and Medicaid Services or any state Medicaid agency a civil money penalty equal to or greater than \$250,000.00 as a result of an enforcement action during a survey? Yes \_\_\_\_\_ No X

*Failure to provide true and correct copies of any documents related to the items list in 9(a-h) listed above may be grounds for referral of the application for special consideration, and/or may be grounds for disciplines.*

*If the applicant answered "Yes" to any of the questions (a)-(h) above, please provide copies of any documentation associated with the event and/or sanction. The documentation should provide the Health Facilities Commission with sufficient information regarding the nature of the event and/or sanction, the current status of the issue, as well as details regarding what corrective action have been implemented (as applicable).*

**VERIFICATION BY NOTARY PUBLIC:**

Signee for application certifies that he or she is of responsible character and able to comply with the minimum standards and regulations established by Tennessee pertaining to the type of facility or agency for which application for licensure is made and with the rules promulgated under Tennessee Code Annotated (TCA) § 68-11-201.

Signee also certifies that a policy has been implemented to inform all employees of their obligation under TCA § 71-6- 103 to report incidents of abuse or neglect.

Signee acknowledges that the State of Tennessee may share information regarding the activities and compliance of the licensee, if the submitted CHOW application is a lessor and/or lessee transaction as described in the above Ownership of Business section of this application.

☐ By checking this box, you acknowledge that you will ensure access to a secure online portal is available to Health Facilities Commission surveyors in order to conduct all necessary and required surveys related to licensure.



Applicant Signature Terra Reed

Manager, Licensing & Governmental 05/30/2025

Title or Position Credentiaing Date

STATE OF TENNESSEE CA

County of Yolo

The above named applicant (print name), Terra Reed being by me duly sworn on his/her oath, deposes and says that he/she has read the forgoing application and knows the contents thereof: that the statements concerning the above named facility or agency, therein contained, are correct and true to his/her own knowledge.

Subscribed to and sworn to on this 30 day of May 2025  
(Month) (Year)

Notary Public: A Rivalca

My commission expires: 03/08/2026

SEE ATTACHED FOR NOTARY PUBLIC

## JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Yolo

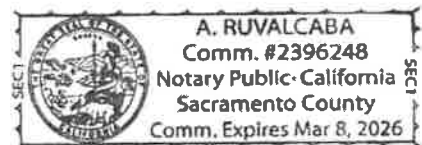
Subscribed and sworn to (or affirmed) before me on

this 30 day of may, 20 25,

by Terra Reed

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature A Ruvalcaba



(Seal)



Tennessee Department of Health  
Cash Listing Report

Client: 5 - Board for Licensing Health Care Facilities

Batch #: 449

# Receipt: 4

Total \$ Entered: \$ 7,404.00

Receipts Entered: 4

Fiscal Year: 2025

Deposit Date: 2025-04-08

Status: Deposited

Origin: Deposit

Deposit #: 04082025

Total: \$ 7,404.00

Receipt #	DLN	Received	Disp	Pmt	Bad Check?	Unassigned	Prof	Remitted By / Beneficiary	File #	License #	Assigned
1571	40059556	\$ 3,000.00	DEP	CHK		\$ 3,000.00	537	NORTHSHORE SENIOR LIVING, LLC	467	467	
1572	40059006	\$ 2,000.00	DEP	CHK		\$ 2,000.00	537	VILLAGE AT ALLENDALE	239	239	
1573	40059399	\$ 1,000.00	DEP	CHK		\$ 1,000.00	537	WALKING HORSE MEADOWS	48	48	
1574	40059464	\$ 1,404.00	DEP	CHK		\$ 1,404.00	548	MEDICAL CENTER MEDICAL PRODUCTS	419	419	
Total:		\$ 7,404.00				\$ 7,404.00					





State of Tennessee  
Health Facilities Commission  
665 Mainstream Drive, 2<sup>nd</sup> Floor, Nashville, TN 37243  
[www.tn.gov/hfc](http://www.tn.gov/hfc) Phone: 615-741-7221

June 5, 2025

**Sent Via Email**

Terra Reed  
Adapt Health, LLC  
C/o Medical Necessities & Services, LLC  
220 West Germantown Pike Suite 250  
Plymouth Meeting, Pennsylvania 19462

Dear Terra Reed

This letter acknowledges receipt of the application and fee for a change of ownership for Medical Necessities & Services, LLC license number 415 located at 1063 West Forest Avenue, Jackson, Tennessee 38301.

A closing document showing the effective date of transfer to the new owner must be submitted to this office after the transaction is finalized. Prior to issuing a license the charter will be verified with the office of the Secretary of State in Tennessee to insure that the legal entity is registered as a Limited Liability Company.

Your application and fee will be held in a pending status until your application is recommended by the regional office for a change of ownership. Once the recommendation for a change of ownership is received from the regional office you will be initially approved, and your application will then be presented before the **Health Facilities Commission** for ratification at the next regularly scheduled commission meeting.

This application will only be good for one (1) year from the date of receipt. If the change of ownership has not occurred within that one (1) year period you will be required to submit a new application and fee, unless you have contacted our office in writing extending your application.

Should you have any questions or need further assistance please feel free to contact me via email at [Niraj.Soni@tn.gov](mailto:Niraj.Soni@tn.gov).

Sincerely

*Niraj Soni*

Phone: (615) 741-7539  
Fax: (615) 253-8798  
Email: [Niraj.Soni@tn.gov](mailto:Niraj.Soni@tn.gov)



State of Tennessee  
Health Facilities Commission  
665 Mainstream Drive, 2<sup>nd</sup> Floor, Nashville, TN 37243  
www.tn.gov/hfc Phone: 615-741-7221

## MEMO

To: Kathy Ziegler, West Tennessee Regional Office Administrator (emailed)

From: Niraj Soni

Date: June 5, 2025

Subject: CHOW

A change of ownership will be occurred on June 1, 2025 for Medical Necessities & Services, LLC located at 1063 West Forest Avenue, Jackson, Tennessee 38301. This facility currently owned by Medical Necessities & Services, LLC d/b/a Medical Necessities & Services, LLC.

Please review your files to determine if there has been a survey conducted within the last fifteen (15) months with no major deficiencies. If a survey has not been conducted due to the facility being accredited, please review the file to determine if there have been any complaints that would prevent a recommendation for approval of the change of ownership at this time.

If you are unable to approve this change of ownership due to the survey being beyond the fifteen (15) months, please schedule an on-site survey as soon as possible.

If you have any questions, please call me at 615-741-7539 or email me at [Niraj.Soni@tn.gov](mailto:Niraj.Soni@tn.gov).

**OFFICE OF HEALTHCARE FACILITIES, LICENSURE DOES  
NOT HAVE TO WAIT FOR AN APPROVED 855 TO MOVE  
FORWARD, IF APPLICABLE.**



**State of Tennessee**  
**Health Facilities Commission**

665 Mainstream Drive, 2<sup>nd</sup> Floor, Nashville, TN 37243  
www.tn.gov/hsda Phone: 615-741-7221

**Attorney/Work Product - Privileged and Confidential**

**OFFICE OF LEGAL SERVICES MEMORANDUM**

DATE: June 6, 2025 HME # 415  
TO: Nathaniel Flinchbaugh and Lisa Williams  
FROM: Niraj Soni  
SUBJECT: CHOW

A change of ownership is to occur on June 1, 2025 for Medical Necessities & Services located at 1063 W Forest Avenue Jackson, Tennessee 38301. This facility is currently owned by Medical Necessities & Services, LLC dba Medical Necessities & Services. The change of ownership applicant is Medical Necessities & Services, LLC. Please review your files to determine if there have been any disciplinary action(s) rendered or open cases in the Office of Legal Services for the current licensed facility/owner.

To complete the recommendation for change of ownership, please indicate below approval or denial with rationale for denial.

Approval: X

Denial: \_\_\_\_\_

Denial Rationale: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OLS Representative Signature: \_\_\_\_\_

*Nathaniel E. Flinchbaugh, Esq.*

Date: June 9, 2025

If you have any questions, please call me at (615-741-7539).



**CHANGE OF OWNERSHIP (CHOW) APPROVAL/DENIAL FORM**  
(For Health Facilities Commission USE ONLY)

**Instructions:** This form is to be completed upon receipt of a CHOW application for all facility types. The effective date of a change of ownership will be the date the closing documents are signed & dated by seller/buyer or lessee; or the date recommended by the Regional Office if occurring after the date of the signed closing documents.

Facility Type: HME County: Madison

Facility Name (Current D/B/A): Medical Necessities & Services LLC

Facility Name (New D/B/A if applicable): \_\_\_\_\_

Street Address: 1063 West Forest Avenue

City/State/Zip Code: Jackson, TN 38301

Health Licensure Last Survey Date: 11/10/2022 Annual or Complaint (circle one) Survey

**\*\*Review of three (3) year survey history including both annual and/or complaint surveys**

Outstanding Complaint(s): Y or N (circle one; if yes, proceed to next question)

Number of Outstanding Complaint(s): \_\_\_\_\_

Date(s) of Outstanding Complaint(s): \_\_\_\_\_

Life Safety Licensure Last Survey Date: NA Annual or Complaint (circle one) Survey

**\*\*Review of three (3) year survey history including both annual and/or complaint surveys**

Outstanding Complaint(s): Y or N (circle one; if yes, proceed to next question)

Number of Outstanding Complaint(s): \_\_\_\_\_

Date(s) of Outstanding Complaint(s): \_\_\_\_\_

Approved: X Denied: \_\_\_\_\_

Reason for denial: \_\_\_\_\_

Recommended CHOW Approval Date: June 11, 2025

KZ/Rhonda G. Rogers 6/9/2025  
Regional Administrator Signature Date



May 30, 2025

Tennessee Health Facilities Commission  
665 Mainstream Drive, Second Floor  
Nashville, TN 37243

Re: Home Medical Equipment Application for Change of Ownership

Good afternoon Mr. Soni,

As discussed by phone, please find enclosed the Home Medical Equipment Application for Change of Ownership, notarized, to disclose the purchase of assets by Medical Necessities & Services LLC that is effective on 6/01/2025 at the following address: 1063 W Forest Ave Jackson, TN, Madison County, 38301.

Along with the enclosed application you will find the following documents/certificate:

- Accreditation Certificate from Accreditation Commission for Health Care
- Additional information as requested in the application
- Fully Executed Asset Purchase Agreement

If you have any questions or require additional information, please do not hesitate to contact Wendy Russalesi at (732) 267-6485 or via email at [Wendy.Russalesi@adapthealth.com](mailto:Wendy.Russalesi@adapthealth.com), Diane Siegel at 301-741-7792 or via e-mail at [diane.siegel2@adapthealth.com](mailto:diane.siegel2@adapthealth.com), Terra Reed at (530) 312-6695 or via email at [Terra.Reed@adapthealth.com](mailto:Terra.Reed@adapthealth.com).

Very truly yours,

Terra Reed  
Manager, Licensing and Governmental Credentialing

Enclosures

## **BILL OF SALE**

This BILL OF SALE ("**Bill of Sale**") is effective as of June 1, 2025, and is made and entered into by and between Jackson-Madison County General Hospital District, a Tennessee governmental entity ("**Seller**"), and Medical Necessities and Services, LLC, a Tennessee limited liability company ("**Buyer**"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement (as defined below). Buyer and Seller are sometimes referred to herein individually as, "**Party**," or collectively as, "**Parties**."

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated April 11, 2025 (the "**Purchase Agreement**"), by and among Buyer and Seller, Seller has agreed to sell, assign, transfer and deliver to Buyer all of the Acquired Assets, and Buyer has agreed to purchase and accept all of the Acquired Assets from Seller, upon the terms and conditions set forth therein.

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

1. Definitions. Capitalized terms used in this Bill of Sale and not defined herein have the meanings ascribed to them in the Purchase Agreement.

2. Sale and Purchase. Seller does hereby sell, assign, transfer, convey and deliver unto Buyer, and Buyer does hereby purchase and acquire from Seller, all right, title, and interest, direct or indirect, in and to the Acquired Assets, free and clear of all Encumbrances except for the Permitted Encumbrances.

3. Purchase Agreement. This Bill of Sale is subject to the terms and conditions of the Purchase Agreement. In the event of any conflict or ambiguity between the terms of this Bill of Sale and the Purchase Agreement, the terms of the Purchase Agreement shall govern. The delivery of this Bill of Sale shall not alter, diminish, expand or otherwise impair any of the representations, warranties, covenants, conditions, indemnities, terms or provisions of the Purchase Agreement, and all of the representations, warranties, covenants, conditions, indemnities, terms and provisions contained in the Purchase Agreement shall survive the delivery of this Bill of Sale to the extent, and in the manner, set forth in the Purchase Agreement.

4. Governing Law. This Bill of Sale shall be construed, interpreted and applied in accordance with the internal Laws of the State of Tennessee without giving effect to doctrines relating to conflicts of laws (whether of the State of Tennessee or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Tennessee.

5. Further Assurances. The Parties shall execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Bill of Sale.

6. Miscellaneous. The titles and headings to sections and subsections in this Bill of Sale are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Bill of Sale. This Bill of Sale may not be amended, modified

or terminated except by an instrument in writing executed by the Parties hereto. This Bill of Sale shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns. Each Party was represented by counsel who participated in the negotiation and drafting of this Bill of Sale, and consequently no rule of construction against the drafting Party shall be applicable in the interpretation of this Bill of Sale. This Bill of Sale may be executed in one or more counterparts (including by electronic means), each counterpart shall be deemed an original, and all counterparts collectively shall constitute one and the same instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, each Party has caused this Bill of Sale to be duly executed on the date first above written.

**SELLER:**

JACKSON-MADISON COUNTY  
GENERAL HOSPITAL DISTRICT

Signed by:

Tina Prescott

E6876AB99532439

By: \_\_\_\_\_

Name: Tina Prescott

Title: President & CEO

**BUYER:**

MEDICAL NECESSITIES AND SERVICES,  
LLC

By: \_\_\_\_\_

Name: Richard Rew

Title: Secretary



IN WITNESS WHEREOF, each Party has caused this Bill of Sale to be duly executed on the date first above written.

**SELLER:**

JACKSON-MADISON COUNTY  
GENERAL HOSPITAL DISTRICT

By: \_\_\_\_\_  
Name: Tina Prescott  
Title: President & CEO

**BUYER:**

MEDICAL NECESSITIES AND SERVICES,  
LLC

By:  \_\_\_\_\_  
Name: Richard Rew  
Title: Secretary

Signed by:  
4C574A2F333F416...

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “*Agreement*”) is dated as of April 11, 2025 (the “*Effective Date*”) by and between (i) Medical Necessities and Services, LLC, a Tennessee limited liability company (“*Buyer*”); and (ii) Jackson-Madison County General Hospital District, a Tennessee governmental entity (“*Seller*”). For purposes of this Agreement, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in Exhibit A.

WHEREAS, Seller is a Tennessee governmental entity that operates acute care and specialty hospitals, outpatient care sites, ambulatory surgery centers, and physician practices providing services ranging from children’s hospital services, comprehensive heart and vascular care, neurology and neurosurgery, orthopedic and spine care, and cancer care;

WHEREAS, Seller’s Medical Center Medical Products business is engaged in the sale, distribution, and servicing of durable medical equipment (the “*Business*”);

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, the Acquired Assets and the Assumed Liabilities relating exclusively to the Business, subject to the terms and conditions set forth herein.

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

### ARTICLE I PURCHASE AND SALE

Section 1.1 Purchase and Sale of Assets; Excluded Assets; Assumed Liabilities; Excluded Liabilities.

(a) Purchase and Sale of Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller’s right, title and interest, direct or indirect, in and to all assets, properties and rights of every nature, kind and description, whether tangible or intangible, real, personal or mixed, accrued or contingent (including goodwill), wherever located and whether now existing, related to, used or held for use in connection with the Business, other than the Excluded Assets (collectively, the “*Acquired Assets*”), in each case free and clear of any Encumbrances other than Permitted Encumbrances, including but not limited to all of Seller’s right, title and interest in and to the following:

(i) all assets that would be recorded or reflected on a balance sheet of the Business as of the Closing Date prepared in accordance with GAAP;

(ii) all rights of Seller under the Contracts, agreements, licenses, leases, sales orders, purchase orders and other commitments listed on Schedule 1.1(a)(ii) hereto (the “*Assumed Contracts*”);

- (iii) all Personal Property;
- (iv) all Inventory;
- (v) all Business Records;
- (vi) all Prepaid Items;
- (vii) all Rights; and
- (viii) the goodwill and going concern value and other intangible assets, if any, arising from or related to the Business.

(b) Excluded Assets. Notwithstanding anything contained in Section 1.1(a) to the contrary, Seller is not selling, and Buyer is not purchasing, any of the following assets of Seller, all of which shall be retained by Seller (collectively, the “*Excluded Assets*”):

- (i) all of Seller’s cash and cash equivalents;
- (ii) all Receivables;
- (iii) all rights in respect of all Leased Real Property;
- (iv) all Seller Intellectual Property;
- (v) all Contracts that are not Assumed Contracts;
- (vi) all Plans and assets and records relating thereto;
- (vii) all Insurance Policies, and all related premiums and refunds relating to the periods prior to the Closing;
- (viii) all Permits;
- (ix) all rights which accrue or will accrue to Seller under this Agreement and the Ancillary Agreements;
- (x) the assets exclusively used by Seller in its scrub, mastectomy and custom rehab business lines (the “*Excluded Business Lines*”); and
- (xi) those assets set forth on Schedule 1.1(b)(xi).

(c) Assumed Liabilities. In connection with purchase and sale of the Acquired Assets pursuant to this Agreement, at the Closing, Buyer shall assume all liabilities and obligations related to the Business arising out of or relating to the Assumed Contracts to the extent to be performed on or after the Closing (the “*Assumed Liabilities*”).

(d) Excluded Liabilities. Notwithstanding the provisions of Section 1.1(c) or any other provision of this Agreement or any Ancillary Agreement to the contrary, except for the

Assumed Liabilities, Buyer shall not assume or be obligated to pay, perform or otherwise discharge (and Seller shall retain, pay, perform or otherwise discharge without recourse to Buyer) any liabilities (absolute, accrued, fixed or contingent, matured or unmatured, or otherwise) of Seller (the “*Excluded Liabilities*”), including but not limited to the following:

(i) any liability for the following Taxes, whether such liability is direct or as a result of transferee or successor liability, joint and/or several liability, pursuant to a Contract or other agreement, a result of filing a Tax Return, pursuant to an adjustment or assessment by a Governmental Authority, by an obligation to withhold or otherwise, and, in each case, whether disputed or not: (A) Taxes of Seller (including, but not limited to, all income, franchise, net worth or other similar Taxes of, or imposed on, Seller); (B) Taxes that relate to the Business, the Acquired Assets or any employee of the Business, the Excluded Business Lines or Seller (including any Taxes arising from or relating to any worker misclassification by Seller) for any Pre-Closing Tax Period; and (C) Transfer Taxes;

(ii) any liabilities associated with the conduct of the Business (including acts or omissions) prior to the Closing Date;

(iii) any Indebtedness of Seller or the Business;

(iv) any liabilities of Seller arising under, in connection with, or related to any Plan;

(v) any liability or obligation of Seller for any present or former employees, officers, directors, retirees, independent contractors or consultants of Seller, including, without limitation, any liabilities or obligations associated with any claims for wages or other benefits, bonuses, accrued vacation and paid time off, workers’ compensation, severance (including pursuant to Section 4.19), retention, termination or other payments;

(vi) any liability incurred by Seller or any Person other than Buyer or Buyer’s agents in making or carrying into effect this Agreement or that are incidental thereto, including the Transaction Expenses;

(vii) any liability arising out of Section 4.3; and

(viii) any liability or obligation relating to an Excluded Asset (including but not limited to, any liability or obligation relating to the Excluded Business Lines).

## Section 1.2 Closing.

(a) Closing. The closing of the transactions contemplated by this Agreement (the “*Closing*”) shall take place by electronic means on the later of (i) June 1, 2025, or (ii) the third (3rd) Business Day following the date upon which all of the conditions precedent set forth in Section 1.2(d) and Section 1.2(e) are satisfied or waived by the appropriate party hereto, in each case subject to Section 1.2(f), or on such other date as is mutually agreed to in writing by Seller and Buyer. The day on which the Closing takes place is referred to as the “*Closing Date*.” The Closing shall be deemed to take effect as of 12:01 a.m. Eastern Time on the Closing Date.

(b) Closing Deliverables of Seller. At the Closing, Seller shall execute and deliver, or cause to be executed and delivered, to Buyer:

(i) the Escrow Agreement, in the form attached hereto as Exhibit B, duly executed by Seller;

(ii) a bill of sale for the Acquired Assets, in the form attached hereto as Exhibit C, duly executed by Seller (the "**Bill of Sale**");

(iii) an assignment and assumption agreement, in the form attached hereto as Exhibit D (the "**Assignment and Assumption Agreement**") duly executed by Seller, effecting the assignment to and assumption by Buyer of the Acquired Assets and the Assumed Liabilities;

(iv) a lease agreement, in the form attached hereto as Exhibit E (the "**Lease Agreement**") duly executed by Seller, for the premises located generally at 1063 West Forest Avenue, Jackson, Tennessee 38301;

(v) a preferred provider agreement, in the form attached hereto as Exhibit F (the "**Preferred Provider Agreement**"), duly executed by Seller;

(vi) a supplier and hospice agreement, in form acceptable to Buyer (the "**Hospice Agreement**"), duly executed by Hospice of West Tennessee;

(vii) for Seller, a certification of non-foreign status of Seller dated as of the Closing Date and complying with the requirements of Treasury Regulations Section 1.1445-2(b)(2) and Code Section 1446(f), in form and substance reasonably satisfactory to Buyer;

(viii) payoff letters evidencing the repayment of all of the Indebtedness of Seller and the Business or that otherwise contains an Encumbrance on the Acquired Assets, including customary contingent lien release and commitment termination language, in each case in form and substance reasonably satisfactory to Buyer, duly executed and delivered by the applicable payees identified therein;

(ix) a certificate, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer, duly executed by an officer of Seller, certifying (A) the authenticity and effectiveness of the actions of Seller's board of directors authorizing the execution and delivery of this Agreement and the Ancillary Agreements to which Seller is a party; (B) the Governing Documents of Seller; and (C) the incumbency of the officers signing this Agreement or any of the Ancillary Agreements on behalf of Seller (together with their specimen signatures);

(x) certificates of good standing dated not more than 10 Business Days prior to the Closing Date with respect to Seller issued by the Secretary of State of the State of its incorporation;

(xi) all Business Records;

(xii) a certificate, dated as of the Closing Date, duly executed by an officer of Seller, certifying that the conditions set forth in Section 1.2(d)(i) and Section 1.2(d)(ii) have been satisfied; and

(xiii) such other documents as Buyer may reasonably request for the purpose of consummating the Transactions.

(c) Closing Deliverables of Buyer. At the Closing, Buyer shall execute and deliver, or cause to be executed and delivered, to Seller:

(i) the Closing Date Consideration, as contemplated by Section 1.3(a);

(ii) a certificate, dated as of the Closing Date, duly executed by an officer of each of the Buyer Parties, certifying that the conditions set forth in Section 1.2(e)(i) and Section 1.2(e)(ii) have been satisfied; and

(iii) each Ancillary Agreement to which Buyer is a party, duly executed by Buyer.

(d) Conditions to Buyer Obligations. The obligations of Buyer to consummate the Closing are subject to the fulfillment of each of the following conditions (unless waived by Buyer):

(i) Each of the Core Representations of Seller shall be true, complete and correct in all respects at and as of the Closing with the same force and effect as if made at and as of the Closing, except for such representations and warranties which refer to facts existing at a specific date, which shall be true, complete, and correct as of such date; and each of the representations and warranties of Seller other than the Core Representations shall be true, complete and correct in all material respects at and as of the Closing with the same force and effect as if made as of the Closing, except for such representations and warranties which refer to facts existing at a specific date, which shall be true, complete, and correct as of such date.

(ii) Seller will have performed and complied in all material respects with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by them at or prior to the Closing.

(iii) Seller shall have delivered to Buyer duly executed counterparts to the documents and deliveries set forth in Section 1.2(b).

(iv) No Action shall have been commenced against Seller which would prevent the Closing, and no injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits the Transactions.

(v) All approvals, consents and waivers that are listed in Sections 2.3(a) and 2.3(b) of the Disclosure Schedules shall have been received, and executed counterparts thereof shall have been delivered to Buyer at or prior to the Closing.

(vi) No fewer than 23 Transferring Employees shall have accepted employment with Buyer or one of its Affiliates in order to allow Buyer to conduct and operate the Business after the Closing in substantially the same manner as conducted prior to the Effective Date.

(vii) Timely submission of all pre-Closing regulatory filings and receipt of confirmation from the relevant Governmental Authority that application materials and all pre-closing reviews are complete and ready to be approved upon the provision of this Agreement to the relevant Governmental Authority showing that the Transactions have closed.

(viii) The landlord under the Lease Agreement shall have paid the Build-Out Costs (as defined in the Lease Agreement) and shall have completed the Tenant Build-Out (as defined in the Lease Agreement) in accordance with the Lease Agreement.

(ix) From the Effective Date, there shall not have occurred any Material Adverse Effect, nor shall any event or events that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(e) Conditions to Seller Obligations. The obligations of Seller to consummate the Closing are subject to the fulfillment of each of the following conditions (unless waived by Seller):

(i) Each of the Core Representations of Buyer shall be true, complete and correct in all respects at and as of the Closing with the same force and effect as if made at and as of the Closing, except for such representations and warranties which refer to facts existing at a specific date, which shall be true, complete, and correct as of such date; and each of the representations and warranties of Buyer other than the Core Representations shall be true, complete and correct in all material respects at and as of the Closing with the same force and effect as if made as of the Closing, except for such representations and warranties which refer to facts existing at a specific date, which shall be true, complete, and correct as of such date.

(ii) Buyer will have performed and complied in all material respects with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by them at or prior to the Closing.

(iii) Buyer shall have delivered to Seller duly executed counterparts to the documents and deliveries set forth in Section 1.2(c).

(iv) The board of directors of Seller shall have adopted and approved resolutions authorizing the execution and delivery of this Agreement and the Ancillary Agreements to which Seller is a party.

(f) Termination of Agreement. This Agreement may be terminated at any time prior to the Closing:

(i) by the mutual written consent of Seller and Buyer;

(ii) by Seller or Buyer, upon written notice to the other, if the transactions contemplated by this Agreement have not been consummated by June 30, 2025, or such later date, if any, as Seller and Buyer agree upon in writing (the “**Termination Date**”); *provided*, that the right to terminate this Agreement pursuant to this Section 1.2(f)(ii) shall not be available to any party whose breach of any material provision of this Agreement results in or causes the failure of the transactions contemplated by this Agreement to be consummated by such time;

(iii) by Seller, if (i) Buyer has breached or failed to perform any of its covenants or other agreements contained in this Agreement to be complied with by Buyer such that the closing conditions set forth in Section 1.2(e) would not be satisfied or (ii) there exists a breach of any representation or warranty of Buyer contained in this Agreement such that the closing conditions set forth in Section 1.2(e) above would not be satisfied, and in the case of either clauses (i) or (ii) above, such breach or failure to perform is not cured within 15 days after receipt of written notice thereof or is incapable of being cured by Buyer by the Termination Date; *provided*, that Seller shall not have the right to terminate this Agreement pursuant to this Section 1.2(f)(iii) if Seller is then in material breach or violation of this Agreement;

(iv) by Buyer, if (i) Seller has breached or failed to perform any of its covenants or other agreements contained in this Agreement to be complied with by Seller such that the closing conditions set forth in Section 1.2(d) would not be satisfied or (ii) there exists a breach of any representation or warranty of Seller contained in this Agreement such that the closing conditions set forth in Section 1.2(d) would not be satisfied, and in the case of either clause (i) or (ii) above, such breach or failure to perform is not cured within 15 days after receipt of written notice thereof or is incapable of being cured by Seller by the Termination Date; *provided*, that Buyer shall not have the right to terminate this Agreement pursuant to this Section 1.2(f)(iv) if Buyer is then in material breach or violation of this Agreement; or

(v) by Buyer, if Seller provides an update to its Disclosure Schedules which contains information that would have the effect of causing a condition set forth in Section 1.2(d) of this Agreement to not be satisfied, and Seller fails to cure the event of condition causing the failure of such condition within 15 days following delivery by Buyer to Seller of written notice.

(g) Effect of Termination. In the event of termination of this Agreement pursuant to Section 1.2(f) of this Agreement, this Agreement shall become void and of no further force and effect, except for this Section 1.2(g) and Article V of this Agreement, which shall remain in full force and effect. Nothing in this Section 1.2(g) shall be deemed to release any party hereto from any liabilities for any breach by such party of the terms and provisions of this Agreement or to impair the right of any party hereto to compel specific performance by any other party hereto of its obligations under this Agreement.

### Section 1.3 Purchase Price.

(a) The amount payable to Seller in consideration for the sale, assignment, transfer, conveyance and delivery of the Acquired Assets by Seller to Buyer (the “**Closing Date Consideration**”) shall be an aggregate amount equal to:

(i) Four Million Dollars (\$4,000,000.00) (the “**Base Amount**”);



(ii) less the amount of the Estimated Closing Indebtedness;

(iii) less the Escrow Amount.

(b) The final aggregate amount to be paid by Buyer to Seller shall be referred to herein as the “*Final Consideration*.”

Section 1.4 Withholding. Notwithstanding any provision hereof to the contrary, the parties agree that any party hereto shall be entitled to deduct and withhold from any amounts otherwise payable under the terms of this Agreement such amounts as it is required to deduct and withhold pursuant to any provision of any applicable Law. To the extent that amounts are so withheld under any provision of this Agreement, such withheld amounts (i) shall be timely remitted to the applicable Governmental Authority in accordance with applicable Law; and (ii) shall be treated for all purposes of this Agreement as having been paid to the recipients in respect of which such deduction and withholding was made. Prior to making any such deduction or withholding, the withholding party shall inform the other party in advance of any such deduction or withholding and shall cooperate with such other party to take commercially reasonable steps to reduce or eliminate such deduction or withholding.

Section 1.5 Payments at Closing.

(a) At the Closing, Buyer shall pay, or cause to be paid:

(i) to Seller by wire transfer of immediately available funds, the Closing Date Consideration;

(ii) to the Escrow Agent, by wire transfer of immediately available funds, the Escrow Amount for further deposit into the Escrow Account, to disburse solely in accordance with the terms of this Agreement and the Escrow Agreement; and

(iii) the Indebtedness to be repaid to the holders thereof, as set forth on Schedule 1.5(a)(iii).

(b) Any and all amounts to be paid at Closing by wire transfer pursuant to this Section 1.5 shall be paid to one or more bank accounts designated in writing by Seller on or prior to the Closing Date.

Section 1.6 Delivery of Estimated Closing Statement. At least three Business Days prior to the Closing Date, Seller shall have delivered to Buyer (A) a written statement (the “*Estimated Closing Statement*”) setting forth Seller’s good faith estimate of each of (i) the Closing Indebtedness (the “*Estimated Closing Indebtedness*”) and (ii) the resulting calculation of the Closing Date Consideration. Buyer and its Representatives shall have been given such access to the financial books and records of Seller as Buyer may reasonably request to the extent reasonably necessary to confirm the good faith estimates set forth in the Estimated Closing Statement, and Seller shall consider in good faith the implementation of any proper and reasonable revisions to such estimates proposed by Buyer.

## ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the corresponding sections or subsections of the Disclosure Schedules attached hereto (collectively, the “*Disclosure Schedules*”) (each of which shall qualify only the specifically identified Sections or subsections hereof to which such Disclosure Schedule relates and shall not qualify any other provision of this Agreement or any Ancillary Agreement), Seller hereby represents and warrants to Buyer as follows:

Section 2.1 Organization and Qualification. Seller is a Tennessee governmental entity (i) duly organized, validly existing and in good standing under the Laws of its State of Tennessee, and has full corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted and (ii) duly qualified or licensed as a foreign entity to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary. The conduct of the Business and its ownership or use of the Acquired Assets do not require Seller to be qualified, registered, or licensed in any jurisdiction except those listed on Schedule 2.1.

Section 2.2 Authority. Seller has the requisite legal capacity, right and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by Seller of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation by Seller of the Transactions have been duly and validly authorized by all necessary corporate action. This Agreement and each Ancillary Agreement has been duly executed and delivered by Seller and (assuming due authorization, execution and delivery by Buyer) constitute the legal, valid and binding obligations of Seller, enforceable against it in accordance with their respective terms.

Section 2.3 No Conflict; Required Filings and Consents.

(a) Except as set forth on Schedule 2.3(a), the execution, delivery and performance by Seller of this Agreement and each of the Ancillary Agreements to which Seller is a party, and the consummation of the Transactions, do not and will not (i) conflict with or violate the Governing Documents of Seller; (ii) conflict with or violate any Law applicable to Seller or by which any property or asset of Seller is bound or affected; or (iii) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a breach or default) under, require any consent of or notice to any Person pursuant to, give to others any right of termination, amendment, modification, acceleration or cancellation of, give rise to any increased, guaranteed, accelerated or additional rights or entitlements of any Person or otherwise adversely affect any rights of Seller under, or result in the creation of any Encumbrance on any property, asset or right of Seller pursuant to, any note, bond, mortgage, indenture, agreement, lease, license, Permit, franchise, instrument, obligation or other Contract to which Seller is a party or by which it or any of its respective properties, assets or rights are bound or affected.

(b) Except as set forth on Schedule 2.3(b), Seller is not required to file, seek or obtain any notice, authorization, approval, order, Permit or consent of or with any Governmental

Authority in connection with the execution, delivery and performance by Seller of this Agreement and each of the Ancillary Agreements to which it is a party or the consummation of the Transactions or in order to prevent the termination of any right, privilege, license or qualification of Seller.

Section 2.4 Capitalization; Subsidiaries. Seller has no issued and outstanding equity interests. Seller (i) does not have outstanding any securities convertible into or exchangeable for any of its equity interest or any rights to subscribe for or to purchase or any options for the purchase of any of its equity interests; (ii) is not party to any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any other character relating to the issuance of, any such equity interests, or any interests or securities convertible into or exchangeable for any such equity interests; and (iii) is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, to grant, extend or enter into any subscription, warrant, right, convertible or exchangeable security, preemptive rights, rights of first refusal or offer, conversion rights, exchange rights or other similar agreement or commitment relating to any of its equity interests, or to register under the Securities Act, any of its equity interests. Seller does not hold any equity, membership, partnership, joint venture or other ownership interest in any entity, that owns or otherwise holds any assets used in the Business.

Section 2.5 Financial Statements; No Undisclosed Liabilities.

(a) True and complete copies of (i) the unaudited balance sheet of Seller as at December 31, 2023 and December 31, 2024, and the related unaudited statement of income of Seller (collectively, the “**Financial Statements**”) and the unaudited balance sheet relating to the Business as at February 28, 2025 (the “**Balance Sheet**”), and the related statement of income relating to the Business for the period then ended (collectively, the “**Interim Financial Statements**”), are attached hereto as Schedule 2.5(a) of the Disclosure Schedules. Each of the Financial Statements and the Interim Financial Statements (i) are correct and complete and have been prepared in accordance with GAAP consistently applied throughout the periods covered, and (ii) fairly present in all material respects the financial position and results of operations of the Business as at the respective dates thereof and for the respective periods indicated therein, except as otherwise noted therein and subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments that will not, individually or in the aggregate, be material.

(b) Seller has no liabilities with respect to the Business, except (i) those which are adequately reserved or reflected against in the Balance Sheet, and (ii) those which have been incurred in the Ordinary Course since the date of the Balance Sheet, that are not, individually or in the aggregate, material to Seller.

(c) All Inventory, whether or not reflected on the Balance Sheet, is located on the Leased Real Property and has not been consigned to, or held on consignment from, any third person, nor has it been subject to any seizure or foreclosure by landlord in satisfaction of any lien under the Leased Real Property. Such Inventory and additional items of Inventory arising since the date of the Balance Sheet was acquired and has been maintained in accordance with the regular business practices of Seller, consists and will consist on the Closing Date of new and unused items of a quality and quantity substantially all of which is usable or saleable in the Ordinary Course, and is valued at prices equal to cost and in accordance with the internal accounting practices of

Seller applied on a basis consistent with the Financial Statements, each consistently applied throughout the periods covered by the Financial Statements, with adequate provisions or adjustments for excess inventory, slow-moving inventory, spoilage and inventory obsolescence and shrinkage.

Section 2.6 Absence of Certain Changes or Events. Except as set forth on Schedule 2.6, since the date of the Balance Sheet: (a) Seller has conducted the Business only in the Ordinary Course; (b) Seller has not made any change in accounting methods or principles or any collection or payment policy or practice with respect to the Business; and (c) there has not been any change, event or development or prospective change, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect or be materially adverse to the value of the Acquired Assets.

Section 2.7 Compliance with Law. Seller is and has been in compliance with all Laws (including HIPAA) applicable to the conduct of the Business and Seller has not received nor is there any basis for, any notice, order, complaint or other communication from any Governmental Authority or any other Person that Seller is not in compliance in any material respect with any Law applicable to the conduct of the Business.

Section 2.8 Permits. Seller possesses all certificates, licenses, permits, authorizations and approvals of all Governmental Authorities as set forth on Schedule 2.8, including, without limitation, with respect to Environmental Law and Health Care Laws (each, a “*Permit*”) necessary to conduct the Business and own the Acquired Assets, other than such Permits the absence of which, individually or in the aggregate, would not reasonably be expected to be material to the Business. All such Permits are validly held by Seller, are in full force and effect and Seller is in compliance in all respects with all terms and conditions thereof, in each case, except for any such invalidity or non-compliance that, individually or in the aggregate, would not reasonably be expected to be material to the Business. No Governmental Authority has commenced, or given written notice to Seller that it intends to commence an Action to (a) revoke or suspend any such Permit, or (b) deny or reject any application or request to renew such Permit.

Section 2.9 Litigation; Recalls; Other Product Issues.

(a) Litigation. Except as set forth on Schedule 2.9(a), (i) there is no Action pending or, to the Knowledge of Seller, threatened, against Seller with respect to the Business or the Acquired Assets, or any of the officers or directors of Seller in regard to their actions as such, nor is there any basis for any such Action; (ii) there is no Action pending or, to the Knowledge of Seller, threatened, seeking to prevent, hinder, modify, delay or challenge the Transactions; and (iii) there is no outstanding order, writ, judgment, injunction, decree, determination or award of, or pending or, to the Knowledge of Seller, threatened investigation by, any Governmental Authority relating to the Business, the Acquired Assets, Seller, any of its officers or directors, or the Transactions.

(b) Recalls. Except as set forth on Schedule 2.9(b), Seller has not received any written notice of any recall with respect to any product manufactured, marketed or sold by Seller with respect to the Business in the 10 years preceding the Closing Date, nor to the Knowledge of Seller have any such recalls been threatened during such period. No event has occurred or

circumstances exist that could be reasonably expected to constitute or result in (with or without notice or lapse of time) any such recall.

(c) Product Actions. There are no Actions pending or, to the Knowledge of Seller, threatened against Seller with respect to any product liability with respect to any product manufactured, sold, leased or delivered by Seller with respect to the Business. No event has occurred or circumstances exist that could be reasonably expected to constitute or result in (with or without notice or lapse of time) any such product liability.

Section 2.10 Employee Benefit Plans. Schedule 2.10 sets forth a true and complete list of all employee benefit plans and all fringe benefit, cafeteria, profit sharing, deferred compensation, bonus, equity option, equity purchase, pension, change in control, phantom, vacation, retention, severance, health, cafeteria, retainer, consulting, retirement, welfare, or other incentive plan or arrangement, or employment agreement, in each case whether or not reduced to writing and whether funded or unfunded, including each “employee benefit plan” within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“*ERISA*”), whether or not subject to ERISA, that Seller sponsors, maintains or to which it contributes or which it has or would reasonably be expected to have any liability (collectively, “*Plans*”) relating to current or former service providers of the Business. All Plans referred to in this Section 2.10 are and at all times have been established, maintained, and administered in full compliance with the terms of such Plan and all applicable Laws, are legally valid and binding and in full force and effect, and there are no default or funding deficiencies thereunder. Seller has furnished to Buyer a true and complete copy of each such Plan (and where the Plan has not been reduced to writing, a written summary of material Plan terms) and has delivered to Buyer a true and complete copy of each material document, if any, prepared in connection with each such Plan, including (i) a copy of each trust or other funding arrangement, insurance policies and contracts, (ii) each summary plan description and summary of material modifications, (iii) the two most recently filed Internal Revenue Service (“*IRS*”) Form 5500, (iv) the most recently received IRS determination letter or opinion letter, as applicable, for each such Plan and the application materials submitted in connection with such determination or opinion letter and (v) the most recently prepared actuarial report and financial statement in connection with each such Plan. Seller has no express or implied commitment (A) to create, incur liability with respect to or cause to exist any other employee benefit plan, program or arrangement, (B) to enter into any Contract to provide compensation or benefits to any individual or (C) to modify, change or terminate any Plan, other than with respect to a modification, change or termination required by ERISA or the Code. Neither Seller nor any ERISA Affiliate sponsors, maintains, participates in or contributes to or has ever sponsored, maintained, participated in or contributed to (or been obligated to sponsor, maintain, participate in or contribute to) or has (or reasonably could have) any liability, (including any contingent liability) under with respect to, and no Plan is, (A) a multiemployer plan within the meaning of Section 3(37) of ERISA, (B) a pension plan subject to Section 302 of ERISA, Title IV of ERISA or Section 412 of the Code, (C) a “multiple employer welfare arrangement” as defined in Section 3(40) of ERISA, (D) any multiple employer plan within the meaning of Section 210(a), 4063 or 4064 of ERISA or Section 413(c) of the Code or (E) a plan or any agreement or arrangement providing or to provide any post-termination or retiree health or welfare benefits (other than as required under applicable Law) to any current or former employee or service provider. Neither Seller nor any of its ERISA Affiliates has (i) incurred or reasonably expects to incur any material liability under Title I or Title IV of ERISA or applicable Law relating to

employee benefit plans; (ii) failed to timely pay premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Plan; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) breached any fiduciary duty imposed upon it by ERISA or any other applicable Law nor is there any threatened claim or any basis for such a claim; or (vi) incurred taxes under Section 4971 of the Code. Nothing has occurred with respect to any Plan that has subjected or could reasonably be expected to subject Seller or any of its ERISA Affiliates or, with respect to any period on or after the Closing Date, Buyer or any of its Affiliates, to any liability related to any Plan, including any penalty under Section 502 of ERISA or to Tax or penalty under Sections 4975 or 4980H of the Code. Seller and each ERISA Affiliate is and, at all relevant times, has been in compliance in all material respects with the applicable provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111 148, the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111 152, and all regulations and guidance issued thereunder including the employer shared responsibility provisions relating to the offer of medical coverage that qualifies as “minimum essential coverage” that is “affordable” and provides “minimum value” to “full time employees” and their “dependents” (as those terms are defined in Section 4980H of the Code and the related Treasury Regulations) and the applicable information reporting requirements under Sections 6055 and 6056 of the Code. Seller does not have any obligation to gross up, indemnify or otherwise reimburse any individual with respect to the Business for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code. Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events) result in “excess parachute payments” within the meaning of Section 280G(b) of the Code or require a “gross-up” or other payment to any “disqualified individual” within the meaning of Section 280G(c) of the Code.

#### Section 2.11 Labor and Employment Matters.

(a) Schedule 2.11 sets forth a list of the employees and independent contractors of Seller who work in the Business as of the Closing Date, and their respective titles or a description of services provided, exempt or nonexempt classification under the Fair Labor Standards Act and comparable state and local Law, hourly rate, annual salary or other rate of compensation, bonus or commission eligibility, dates of hire or engagement, and employment or independent contractor status. Seller is in compliance with all Laws related to its employees and independent contractors with respect to the Business, including but not limited to Laws relating to the classification and treatment of employees and independent contractors. Seller is, and during the past three years has been, in compliance with all applicable Laws respecting employment, including equal employment opportunities, discrimination or harassment in employment, terms and conditions of employment, onboarding practices, termination of employment, wages, overtime classification, hours, occupational safety and health, employee whistle-blowing, immigration, employee privacy, paid leave and leaves of absence, workers’ compensation, unemployment benefits, employment practices and classification of employees, consultants and independent contractors, in connection with the Business.

(b) As of the Closing Date, all salaries, wages, paid time off, vacation pay, holiday pay, short or long-term disability, reimbursement of expenses, compensation for paid leave, bonuses of any kind, payroll Taxes, payroll Tax reporting compliance, workers compensation, and benefits of any kind payable to any employee of Seller working in the Business

or independent contractor, if any, engaged by Seller to work in the Business as a result of the independent contractor's relationship with Seller, if applicable, shall have been paid in full or shall subsequently be paid, if paid in accordance with ordinary course practices as of the Closing Date, according to applicable Law, and all obligations to comply with all reporting requirements shall have been performed in full or shall subsequently be performed according to applicable Law.

(c) Seller is not a party to any labor or collective bargaining Contract that pertains to employees of Seller working in the Business. There are no pending, and during the past five years there have not been, any organizing activities or collective bargaining arrangements that could affect Seller, nor are there any organizing activities or collective bargaining arrangements that could affect Seller under discussion by Seller with any labor organization or group of employees of Seller working in the Business. There is, and during the past five years there has been, no labor dispute, strike, controversy, slowdown, work stoppage or lockout pending or threatened against or affecting Seller, nor is there any basis for any of the foregoing. There are no pending or threatened union grievances, unfair labor practice charges, or union representation questions involving employees of Seller in the Business.

(d) Since the enactment of the Worker Adjustment and Retraining Notification Act (the "**WARN Act**"), 29 U.S.C. §§ 2101 et seq., Seller has not effectuated (i) a "plant closing" (as defined in the WARN Act) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of Seller used in the Business, or (ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of Seller used in the Business, nor has Seller been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local Law. No employee of Seller working in the Business has suffered an "employment loss" (as defined in the WARN Act) in the past five years.

(e) Seller retains valid and properly completed copies of Form I-9 for each of its current and former employees with respect to whom that form is required.

(f) To the Knowledge of Seller, no employee, independent contractor, or consultant of Seller working in the Business is a party to any non-compete, nondisclosure, confidentiality, employment, consulting, or similar restrictive covenant with a third party in conflict with Seller's present business activities, and Seller has not received any written notice alleging that any violation of any such restrictive covenants has occurred.

(g) No employees of Seller in the Business (i) have an employment agreement, severance agreement, or other similar agreement with Seller, whether written or oral, other than as set forth on Schedule 2.11, or (ii) have informed Seller that they intend to terminate their employment with Seller or seek a material change in their status or duties. All employees of Seller in the Business are terminable at will without any penalty or severance obligation on the part of Seller, except any such obligation pursuant to an agreement listed on Schedule 2.11.

(h) Except as disclosed on Schedule 2.11, there are no actions against the Business pending or threatened, by or before any Governmental Authority by or concerning any current or former applicant, employee or independent contractor of the Business, and there have been no such actions pending in the past three years. Seller has promptly, thoroughly and

impartially investigated all employment discrimination and harassment allegations of, or against, any employee of the Business and, with respect to each such allegation with potential merit, has taken prompt corrective action in accordance with applicable Law.

Section 2.12 Title to, Sufficiency and Condition of Assets. Seller has good and valid title to or a valid leasehold interest in all of the Acquired Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances. The Acquired Assets are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted immediately prior to the Closing and constitute all of the rights, property, and assets necessary to conduct the Business as currently conducted. None of the Excluded Assets are material to the Business. All tangible assets owned or leased by Seller have been maintained in accordance with generally accepted industry practice, are in good operating condition and repair, ordinary wear and tear excepted, and are adequate for the uses to which they are being put.

Section 2.13 Real Property. Schedule 2.13 sets forth a true and complete list of all Leased Real Property of Seller used in the Business and all real property used in the Business whereby Seller owns title to such real property. Seller has good and marketable leasehold title to all Leased Real Property free and clear of all Encumbrances except Permitted Encumbrances. To the Knowledge of Seller, no parcel of Leased Real Property is subject to any governmental decree or order to be sold or is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefore, nor has any such condemnation, expropriation or taking been proposed. All leases of Leased Real Property and all amendments and modifications thereto are in full force and effect, and there exists no default under any such lease by Seller or, to the Knowledge of Seller, any other party thereto, nor any event which, with notice or lapse of time or both, would constitute a default thereunder by Seller or any other party thereto. All leases of Leased Real Property shall remain valid and binding in accordance with their terms following the Closing subject to the third party consent of the landlord under such leases as set forth on Schedule 2.13. There are no contractual or legal restrictions that preclude or restrict the ability to use any Leased Real Property by Seller for the current or contemplated use of such real property for the operation of the Business. There are no material latent defects or material adverse physical conditions affecting the Leased Real Property. All plants, warehouses, distribution centers, structures and other buildings on the Leased Real Property are adequately maintained and are in good operating condition and repair for the requirements of the Business as currently conducted. Seller has not leased, subleased, licensed or otherwise granted any third party the right to use or occupy the Leased Real Property or any portion thereof. Seller has not received any written notice alleging any violation of laws or use restrictions with respect to the Leased Real Property. Seller has not received any notice of any pending or threatened condemnations, planned public improvements, annexation, special assessments, zoning or subdivision changes, or other adverse claims affecting the Leased Real Property.

Section 2.14 Intellectual Property; Privacy Compliance.

(a) In connection with the collection, use, disclosure, storage and other processing of Personal Information with respect to the Business, Seller has at all times complied with and is in compliance with all Privacy Laws and Requirements, in all material respects. Seller has implemented, has maintained at all times and does currently maintain reasonable, but in no event less than industry-standard, technical, organizational and administrative security measures



to protect all Personal Information with respect to the Business under Seller's control and/or in Seller's possession from unauthorized access, use, disclosure, modification, deletion or other processing. Seller's hardware, software, encryption, systems, policies and procedures are sufficient to protect the privacy, security and confidentiality of all Personal Information with respect to the Business in accordance with the Privacy Laws and Requirements. Seller has not suffered any breach that has resulted in any unauthorized access to, use of, disclosure of or other loss of any Personal Information with respect to the Business. Seller has not experienced any known breach in security involving any its Technology or other systems on which any Personal Information is collected, stored, transferred or otherwise processed with respect to the Business. Seller has at all times complied with and does currently comply, in all material respects, with all applicable Laws and Privacy Laws and Requirements concerning the transmission of commercial emails, text messages and other marketing materials and offers with respect to the Business. Seller has not been subject to any written complaints, lawsuits, investigations or claims regarding its collection, storage, transfer, maintenance and/or use of any Personal Information and, to the Knowledge of Seller, there are no such pending complaints, lawsuits, investigations or claims, in each case with respect to the Business.

Section 2.15 Taxes. Seller has duly and timely filed true, correct and complete Tax Returns, all prepared in accordance with applicable Laws, for all years and periods (and portions thereof) and for all jurisdictions (whether federal, state, local or foreign) in which any Tax returns were due, excepting any extensions granted under applicable Laws. Seller has timely paid all Taxes with respect to the Business required to be paid by it in accordance with applicable Laws. All Taxes that Seller is obligated to withhold from amounts owing to any employee, creditor or third party have been fully paid (or remitted, as applicable) or properly accrued. There are no existing Encumbrances for Taxes upon any of the Acquired Assets. No claim has ever been made by an authority in a jurisdiction where Seller does not file Tax returns that Seller is or may be subject to Tax by that jurisdiction. There is no dispute, audit, or claim concerning any Tax liability of Seller with respect to the Business or the Acquired Assets. Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. Seller is and has been in compliance with all applicable Laws pertaining to Taxes, including all applicable Laws relating to record retention. None of the Acquired Assets are or may become escheatable to any Governmental Authority under any applicable escheatment Laws. Seller has (i) filed or caused to be filed with the appropriate Governmental Authority all unclaimed property reports required to be filed and has remitted to the appropriate Governmental Authority all unclaimed property required to be remitted, or (ii) delivered or paid all unclaimed property to its original or proper recipient. None of the Acquired Assets is property that Seller is required to treat as being owned by any other Person pursuant to the so-called "safe harbor lease" provisions of former Section 168(f)(8) of the Code. None of the Acquired Assets is "tax-exempt use property" within the meaning of Section 168(h) of the Code. None of the Acquired Assets constitutes an equity or beneficial interest in any other Person. Seller has timely paid all sales and use Taxes required to be paid under all applicable Law, properly collected and remitted all sales Taxes required under all applicable Law, and for all sales that are exempt from sales Taxes and that were made without charging or remitting sales or similar Taxes, received and retained any appropriate Tax exemption certificates and other documentation qualifying such sale as exempt. Seller is exempt from federal income Tax pursuant to Section 501(a) of the Code and is also exempt from income, gross receipts, franchise or other similar Taxes pursuant to applicable state and local Law, as a Tennessee governmental entity.

Section 2.16 Environmental Matters.

(a) Seller is and has been in compliance with all applicable Environmental Laws. Neither Seller nor any of its executive officers has received during the past five years, nor is there any basis for, any written communication or complaint from a Governmental Authority or other Person alleging that Seller has any liability under any applicable Environmental Law, is not in compliance with any such Environmental Law, or has any alleged or potential liability for Environmental Damages.

(b) To the Knowledge of Seller, no Hazardous Substances are or have been present, and there is and has been no Release or threatened Release of Hazardous Substances, in each case in violation of applicable Environmental Laws, nor any clean-up or corrective action of any kind relating thereto, on any properties used in the Business (including any buildings, structures, improvements, soils and surface, subsurface and ground waters thereof) currently or formerly owned, leased or operated by or for Seller or any predecessor company, or at any other location for which Seller would be liable. To the Knowledge of Seller, no underground improvement, including any treatment or storage tank or water, gas or oil well, is located on any property currently leased by Seller used in the Business.

(c) Seller holds all Environmental Permits necessary for the conduct of the Business, all such Environmental Permits are valid and have not expired, and Seller is and has been in compliance therewith.

(d) For purposes of this Agreement:

(i) “*Environmental Damages*” means all claims, losses, judgments, damages (including damages for personal injury, or injury to property), penalties, fines, liabilities (including strict liability), Encumbrances, costs and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, and of any good faith settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable (including without limitation reasonable attorneys’ fees and disbursements and consultants’ fees) any of which are incurred at any time as a result of: (A) the existence on or prior to the Closing Date of Hazardous Substances upon, about, or beneath any properties (including any buildings, structures, improvements, soils and surface, subsurface and ground waters thereof) currently or formerly owned, leased or operated by or for Seller or any predecessor company or migrating or threatening to migrate to or from such property; (B) the existence of a violation of Environmental Law or any liability under any Environmental Law relating to Seller, any properties (including any buildings, structures, improvements, soils and surface, subsurface and ground waters thereof) currently or formerly owned, leased or operated by or for Seller or any predecessor company or any real property or facility to which Hazardous Substances generated by Seller have been sent, regardless of whether the existence of such Hazardous Substances, liability or violation of Environmental Law arose prior to the ownership or operation of the any property (including any buildings, structures, improvements, soils and surface, subsurface and ground waters thereof) currently or formerly owned, leased or operated by or for Seller or any predecessor company; (C) injury to persons arising out of exposure to Hazardous Substances, or (D) with respect to the foregoing, the acts, omissions or status of Seller on or prior to the Closing Date.

(ii) “*Environmental Laws*” means: any Laws of any Governmental Authority relating to (A) releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; (B) the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances or materials containing Hazardous Substances; or (C) pollution or protection of the environment, health, safety or natural resources.

(iii) “*Environmental Permits*” means all Permits under any Environmental Law.

(iv) “*Hazardous Substances*” means: (A) those substances defined in or regulated under the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act (“*CERCLA*”), the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide, and Rodenticide Act and the Clean Air Act, and their state counterparts, as each may be amended from time to time, and all regulations thereunder; (B) petroleum and petroleum products, including crude oil and any fractions thereof; (C) natural gas, synthetic gas, and any mixtures thereof; (D) polychlorinated biphenyls, asbestos and radon; (E) any other pollutant or contaminant; (F) per- and polyfluoroalkyl substances; and (G) any substance, material or waste regulated by any Governmental Authority pursuant to any Environmental Law.

(v) “*Release*” has the meaning set forth in Section 101(22) of CERCLA.

#### Section 2.17 Material Contracts.

(a) Except as set forth in Schedule 2.17(a), Seller is not a party to or bound by any Contract of the following nature, in each case that is binding with respect to the Business, provided Schedule 2.17(a) excludes any Contracts related to the Excluded Assets and the Excluded Business Lines (such Contracts as are required to be set forth in Schedule 2.17(a) being “*Material Contracts*”):

(i) Contracts with any customer, broker, distributor, dealer, manufacturer’s representative, franchise, agency, continuing sales or purchase, sales promotion, market research, marketing, consulting or advertising;

(ii) Contracts with any “group purchasing organizations” or similar organizations;

(iii) Contracts for the future acquisition or sale of any properties, assets, supplies, raw materials or services involving Ten Thousand Dollars (\$10,000) individually (or in the aggregate, in the case of any series of related Contracts);

(iv) Contracts for any joint venture or partnership, merger, asset or stock purchase or divestiture Contract relating to the Business;

(v) Contracts calling for future aggregate purchase prices or payments to or from Seller in any one year of more than Ten Thousand Dollars (\$10,000) in any one case

(or in the aggregate, in the case of any series of related Contracts) or are necessary for the operation of Seller or materially affecting Seller;

(vi) Contracts containing covenants of Seller (A) prohibiting or materially limiting the right to compete in any line of business, (B) prohibiting or restricting its ability to conduct business with any Person or in any geographical area, or (C) that grants the other party or any third Person “most favored nation” status or any type of special discount rights;

(vii) Contracts relating to the creation of Encumbrances (other than the Permitted Encumbrances) or the guarantee of the payment of Indebtedness or performance of obligations of any other Person by Seller;

(viii) Contracts with any Governmental Authority;

(ix) Contracts with any Related Party of Seller;

(x) Contracts relating to employment or consulting or independent contractors of Seller;

(xi) Contracts pursuant to which Seller is the lessee or lessor of, or holds, uses, or makes available for use to any Person (other than Seller), (A) any real property or (B) any tangible personal property;

(xii) any other Contract, whether or not made in the Ordinary Course that (A) involves a future or potential liability or Receivable, as the case may be, in excess of \$10,000 on an annual basis or in excess of \$20,000 over the current Contract term, (B) has a term greater than one year and cannot be cancelled by Seller without penalty or further payment and without more than 30 days’ notice or (C) is material to the business, operations, assets, financial condition, results of operations or prospects of Seller;

(xiii) Commercial Healthcare Contracts involving the payment of amounts in excess of Twenty-Five Thousand Dollars (\$25,000) in any year;

(xiv) collective bargaining agreements (or their equivalent); and

(xv) Contracts for the payment of severance benefits, retention bonuses, change in control payments, sale bonuses or other similar payments to any employee or other Person.

(b) Each Material Contract is a legal, valid, binding and enforceable agreement of Seller and, to the Knowledge of Seller, the other parties thereto and is in full force and effect. Neither Seller nor any other party is in breach or violation of, or (with or without notice or lapse of time or both) default under, any Material Contract, nor has Seller received any claim of any such breach, violation or default. Seller have delivered or made available to Buyer true and complete copies of all Material Contracts, including any amendments thereto.

Section 2.18 Affiliate Interests and Transactions.

(a) Except as set forth on Schedule 2.18(a) of the Disclosure Schedules, no Related Party of Seller: (i) owns, directly or indirectly, any equity or other financial or voting interest in any competitor, supplier, licensor, lessor, distributor, independent contractor or customer of Seller or their businesses; (ii) owns, directly or indirectly, or has or has had any interest in any property (real or personal, tangible or intangible) that Seller uses or has used in or pertaining to the Business; (iii) has any business dealings or a financial interest in any transaction with Seller or involving the Acquired Assets, other than business dealings or transactions conducted in the Ordinary Course at prevailing market prices and on prevailing market terms; or (iv) is employed by Seller.

(b) Except as set forth on Schedule 2.18(b) of the Disclosure Schedules and except for this Agreement, there are no Assumed Contracts by and between Seller, on the one hand, and any Related Party of Seller, on the other hand.

Section 2.19 Health Care Compliance.

(a) Schedule 2.19(a) sets forth all of the state license numbers, accreditation identification numbers, CLIA numbers, Drug Enforcement Agency registrations, Federal Health Care Program and Third Party Payor provider or supplier numbers, National Provider Identifier Numbers, Provider Transaction Access Numbers, any other relevant licenses, permits, or enrollments related to the Business' provision of healthcare services and the Federal Tax Identification Numbers linked to such number(s) ("***Provider Identification Number(s)***"). Except as provided on Schedule 2.19(a), all of the Provider Identification Numbers used for the Business are current, valid and in full force and effect and, to Seller's Knowledge, there is no basis for any breach thereof by Seller. Seller has not allowed, permitted, authorized or caused any other person or entity to use any such Provider Identification Number.

(b) Seller has not been notified in writing by any Governmental Authority or other Person during the immediately preceding 12-month period that any license, Permit, certificate, authorization, accreditation, approval used in Seller's operation of the Business is subject to any penalties or disciplinary action or that any penalties or disciplinary action have been, or to Seller's Knowledge are threatened to be, assessed or taken against Seller by any Governmental Authority.

(c) Seller's operation of the Business is in compliance with the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies ("***DMEPOS***") Supplier Standards provided at 42 C.F.R. 424.57(c), the DMEPOS Quality Standards established by CMS under the Medicare Modernization Act of 2003, and any other applicable conditions of credentialing, enrollment or participation requirements established by any Third Party Payor. The Business has all approvals and qualifications necessary for reimbursement for providing services and products to all Federal Health Care Program beneficiaries or enrollees.

(d) Seller, with respect to Seller's operation of the Business, has no liabilities to any Federal Health Care Program or other third party payor program in which the Seller participates or any third-party fiscal intermediary, carrier, contractor, or third-party administrator

of any Federal Health Care Program or third party payor, nor are there any pending audits or investigations, whether conducted internally, by third parties, or at the discretion of any Governmental Authority or Third Party Payor which may result in liabilities exceeding \$2,000 to any Federal Health Care Program or Third Party Payor.

(e) The Seller, with respect to the Seller's operation of the Business, has not engaged in any activities with respect to the Business or the Acquired Assets which are grounds for criminal or civil penalty relating to the provision of health care services, or mandatory or permissive exclusion from any Federal Health Care Program.

(f) Seller initially enrolled in and became a Medicare DMEPOS supplier effective on October 24, 2005. Seller has been continuously enrolled as a Medicare DMEPOS supplier at all times since that date. Seller has been accredited by The Joint Commission as a DMEPOS supplier as of December 2007 and has been continuously accredited at all times since that date.

(g) Seller and Seller's current or former officers, directors, managers, employees, agents, or contractors have not been subject of or a party to any of the following: (i) a civil monetary penalty assessed under 42 U.S.C. Section 1320a-7a or any applicable state Law; (ii) a suspension, debarment or exclusion from participation in and Federal Health Care Program; (iii) named as a defendant in any *qui tam* proceeding; (iv) a conviction (as that term is defined in 42 C.F.R. Section 1001.2) of any of the offenses described in 42 U.S.C. § 1320a-7(a) and (b)(1), (2), (3), or any other Law that could lead to mandatory or permissive exclusion from any Federal Health Care Program; (v) any Action under the Federal Civil False Claims Act or 42 U.S.C. Section 1320a-7b, state false claims or anti-kickback Law; (vi) a Corporate Integrity Agreement or a Certificate of Compliance Agreement with the Office of the Inspector General for the U.S. Department of Health and Human Services; (vii) a search warrant, subpoena, or civil investigative demand from any Governmental Authority related to the Business; or (viii) designation as a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury.

Section 2.20 HIPAA. The Seller is a Covered Entity pursuant to HIPAA and is in compliance with HIPAA's accompanying transaction set, privacy, breach notification, and security regulations. The Seller has developed and has implemented appropriate policies and procedures and training programs to ensure compliance with HIPAA's privacy, breach notification, security and standard transactions regulations. The Seller is not engaged in any internal or external investigations regarding its or any of its agents', employees' or contractors' uses or disclosures of, or security practices regarding, protected health information, as defined in 45 C.F.R. § 160.103 ("*PHI*"), in violation of HIPAA or any other applicable law relating to the privacy, breach notification, security and transmission of health information. The Seller has not had any unauthorized use or disclosure of PHI that would constitute a "breach" (as defined in 45 C.F.R. § 164.402) that would require the Seller to provide notice under 45 C.F.R. §§ 164.404 or 164.408 and no information security or privacy breach event has occurred that would require notification under any comparable applicable law. The Seller has a written and signed business associate agreement that complies with the requirements of HIPAA with each Person who is a business associate (as defined in 45 C.F.R. § 160.103) of the Seller.

Section 2.21 Insurance. Set forth on Schedule 2.21 of the Disclosure Schedule is a true and complete list and description of all policies of insurance with respect to the Seller that includes the Business (collectively, the “**Insurance Policies**”) together with the premiums currently payable thereon, (i) covering damage to goods being manufactured, shipped, held, or otherwise processed by Seller; (ii) providing for fire, property, casualty, business interruption, general liability, cyber, and other forms of insurance coverage (including without limitation umbrella and excess coverage) for Seller; (iii) providing for fire, property, casualty, and other forms of insurance, bond or letter of credit coverage for the Leased Real Property, or (iv) for payment or performance by Seller, in each case with respect to the Business. All such Insurance Policies will be outstanding and in full force and effect at the Closing Date, and the consummation of the Transactions will not cause a cancellation or reduction in the coverage of such policies, bonds and letters of credit.

Section 2.22 Personal Property. Schedule 2.22 set forth a true and complete list of (i) all Personal Property owned by Seller as of the date of the Balance Sheet having a value of \$5,000 or more and (ii) each lease or other Contract under which Seller is the lessee of, or holds or operates, any Personal Property owned by a third Person, including, in each case, the expiration date thereof and a brief description of the property covered, in each case with respect to the Business.

Section 2.23 No Brokers. Other than Realty Trust Group and ECG Management Consultants, no broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Seller.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller as follows:

Section 3.1 Organization and Qualification. Buyer is a limited liability company duly incorporated, validly existing and in good standing under the Laws of the state of its formation and has full power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Buyer is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 3.2 Authority. Buyer has the requisite legal capacity, right and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by Buyer of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation by Buyer of the Transactions have been duly and validly authorized by all necessary corporate action. This Agreement and each Ancillary Agreement has been duly executed and delivered by Buyer and (assuming due authorization, execution and delivery by Seller) constitute the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms.

### Section 3.3 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance by Buyer of this Agreement and each of the Ancillary Agreements to which Buyer is a party, and the consummation of the Transactions, do not and will not (i) conflict with or violate its Governing Documents; (ii) conflict with or violate any Law applicable to Buyer; or (iii) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a breach or default) under, require any consent of or notice to any Person pursuant to, give to others any right of termination, amendment, modification, acceleration or cancellation of, allow the imposition of any fees or penalties, require the offering or making of any payment or redemption, give rise to any increased, guaranteed, accelerated or additional rights or entitlements of any Person or otherwise adversely affect any rights of Buyer under, or result in the creation of any Encumbrance on any property, asset or right of Buyer pursuant to, any note, bond, mortgage, indenture, agreement, lease, license, Permit, franchise, instrument, obligation or other Contract to which Buyer is a party or by which Buyer or any of its properties, assets or rights are bound or affected.

(b) Buyer is not required to file, seek or obtain any notice, authorization, approval, order, permit or consent of or with any Governmental Authority in connection with the execution, delivery and performance by Buyer of this Agreement and each of the Ancillary Agreements to which it will be party or the consummation of the Transactions.

Section 3.4 No Brokers. Other than Alvarez & Marsal Holdings, LLC and its Affiliates, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Buyer.

## ARTICLE IV COVENANTS

Section 4.1 Buyer's Due Diligence Investigation. At any time prior to the Closing Date or the termination of this Agreement pursuant to Section 1.2(f), Buyer shall be entitled, through its employees or representatives, to conduct a due diligence investigation of Seller and the Business. Without limiting the generality of the immediately foregoing sentence, Seller shall and shall cause its Affiliates to permit Buyer and its employees and representatives to have access, during normal business hours and upon reasonable prior notice, to such of the assets, properties, books, and records of Seller related to the Business as Buyer or such employees or representatives may reasonably request, and shall cause to be furnished to Buyer and its employees and representatives all such information concerning the affairs of Seller as it relates to the Business as Buyer or its employees or representatives may reasonably request.

Section 4.2 Conduct of Business. Except as otherwise expressly permitted or contemplated by this Agreement, specifically excluded the conduct of business as it relates to the Excluded Assets and Excluded Business Lines or unless consented to in writing by Buyer, from the Effective Date through the earlier of the Closing or termination of this Agreement, Seller will:

- (a) conduct the Business in the Ordinary Course;



(b) take all reasonable steps to preserve and protect its properties and assets used in the Business;

(c) exercise its best efforts to cause all transactions between Seller and third parties with respect to the Business to take place on commercially reasonable terms;

(d) ensure that no change is made to any agreement with any employee or consultant relating to the Business, including any agreement relating to employment, compensation, benefits, termination, retention, or severance;

(e) not accelerate the vesting or payment of any compensation or benefits of any employee or individual independent contractor of the Business;

(f) comply with all Laws and orders (including HIPAA) applicable to operations of the Business; and

(g) not enter into any transactions with any Person who is a Related Party of the Seller Parties or any of their respective Affiliates.

Section 4.3 Return of Equipment. For a period of 120 days after the Closing Date (the “**Return Period**”), Buyer will use good faith efforts to retrieve AirGas tanks (the “**Tanks**”) from patients of the Business that Buyer services following the Closing Date. Buyer will store the Tanks at a location to be determined by Buyer (the “**Tank Facility**”). Prior to the end of the Transition Period, Seller shall retrieve all Tanks from the Tank Facility. Seller shall be liable for all costs and expenses related to or in connection with the return of the Tanks to AirGas, including but not limited to any Tanks that are determined to be missing.

Section 4.4 No Negotiation. Until such time, if any, as this Agreement is terminated in accordance with Section 1.2(f) of this Agreement, Seller and its Affiliates shall, and, all Persons acting on behalf of Seller shall: (a) negotiate exclusively and in good faith with Buyer in connection with the sale or other transfer of the Acquired Assets; and (b) not, directly or indirectly, initiate, solicit, entertain, negotiate, accept or discuss, directly or indirectly, any inquiries or proposals by, or engage in any discussions or negotiations with or furnish any information to, any other Person concerning any sale or transfer of the Acquired Assets or the Business. If Seller or its Affiliates, or any Person acting on behalf of Seller, receives any inquiry, proposal or other communication from a Person other than Buyer relating to a proposed transfer of the Acquired Assets or the Business or any portion thereof (whether by merger, equity sale, asset sale or otherwise), then Seller shall promptly communicate to Buyer the substance of such inquiry, proposal or other communication.

Section 4.5 Non-Competition; Non-Solicitation; Non-Disparagement.

(a) In consideration of, among other things, the Closing Date Consideration set forth in this Agreement, during the period from the Closing Date through the fifth anniversary of the Closing Date (the “**Non-Compete Period**”), Seller and its Affiliates (each, a “**Non-Compete Party**” and collectively, the “**Non-Compete Parties**”) will not, directly or indirectly:

(i) engage in, invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, lend such Non-Compete Party's credit to, or render services or advice to, any business, firm, corporation, partnership, association, joint venture, or other entity whose primary purpose is to engage in or conduct the business of the sale, distribution, or servicing of durable medical equipment (collectively, the "***Non-Compete Business***") anywhere (1) in North America, unless a court of competent jurisdiction for any reason deems this area to be unenforceable, in which case the area shall instead be limited to (2) in the United States, unless a court of competent jurisdiction for any reason deems this area to be unenforceable, in which case the area shall instead be limited to (3) in any state (or the District of Columbia) in which Seller conducts or prior to the Closing Date has conducted business, has or had customers, has planned to conduct business; *provided, however*, that (A) the Non-Compete Parties may own less than 2% of the outstanding shares of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and (B) the Non-Compete Parties may continue to operate the Excluded Business Lines;

(ii) either for itself or any other Person, hire any of the officers or directors or other Person employed or engaged by Buyer, its Affiliates and its successors or assigns, including, but not limited to, any of the Transferring Employees, or solicit or induce such Persons to leave the employ or engagement of Buyer, any Affiliate of Buyer, or any of its successors or assigns, *provided*, that hiring any individual who responds to job posting directed to the community at large is not a violation of this Section, except that Seller and its Affiliates shall not be permitted to hire any of the Transferring Employees without the prior written consent of Buyer;

(iii) approach, solicit or seek Non-Compete Business from any customer or refer Non-Compete Business from any customer to any enterprise or business or be paid commissions based on Non-Compete Business sales received from any customer, individual, entity, enterprise or business or otherwise in any way interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between Buyer and any client, customer, subcontractor, payor, provider, supplier, vendor, lessor, lessee, employee, consultant, or independent contractor of Buyer or in any way encourage such Persons to terminate, cease supporting or otherwise negatively alter his, her or its relationship with Buyer or the Business; or

(iv) disparage Buyer, any Affiliate of Buyer, or any of its successors or assigns, in any way that could adversely affect the goodwill, reputation, or business relationships of Buyer or any of its Affiliates with the public generally, or with any of their customers, suppliers, or employees.

(b) Each Non-Compete Party acknowledges that the restrictions imposed by this Agreement are fully understood by such Non-Compete Party and are fair and reasonable. If any of the provisions of this Section 4.5 otherwise contravenes or violates the Laws of any state or other jurisdiction where it is applicable, such contravention or invalidity will not invalidate all of the provisions of this Section 4.5, but rather the terms hereof will be reformed and construed, insofar as the Laws of that state or jurisdiction are concerned, as not containing the provision or provisions, but only to the extent that they are contravening or are invalid under the Laws of that

state or jurisdiction, and the rights and obligations created hereby will be reformed and construed and enforced accordingly. In the event of an alleged breach or violation by any Non-Compete Party of this Section 4.5, the Non-Compete Period as to such Non-Compete Party will be tolled until such breach or violation has been cured.

(c) Notwithstanding anything to the contrary in this Agreement, Seller shall be permitted to maintain its DME license for services that require such license to receive reimbursement, including but not limited to tube feeding services; *provided*, that such services shall not be competitive with the Business.

Section 4.6 Covenants Regarding Information. In order to facilitate the resolution of any claims made by or against or incurred by Buyer or Seller after the Closing or for any other reasonable purpose, for a period of five years following the Closing, Seller shall retain all books, documents, information, data, files and other records of Seller that relate to the Business for periods prior to the Closing and which shall not otherwise have been delivered to Buyer. Seller shall not destroy any such books and records relating to the Business without providing Buyer with written notice detailing the contents of such books and records and providing Buyer with the opportunity to obtain such books and records, at least 90 days prior to the destruction thereof.

Section 4.7 Confidentiality. Seller shall not, and Seller shall cause its Affiliates and Representatives not to, use for its or their own benefit or divulge or convey to any third party, any Confidential Information; *provided, however*, that Seller or its Affiliates may furnish such portion (and only such portion) of the Confidential Information as Seller or such Affiliate reasonably determines it is legally obligated to disclose if: (i) he, she, or it receives a request to disclose all or any part of the Confidential Information under the terms of a subpoena, civil investigative demand or order issued by a Governmental Authority; (ii) to the extent not inconsistent with such request, he, she, or it notifies Buyer of the existence, terms and circumstances surrounding such request and consults with Buyer on the advisability of taking steps available under applicable Law to resist or narrow such request, in each case at Seller's expense; (iii) he, she, or it exercises its commercially reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to the disclosed Confidential Information; and (iv) disclosure of such Confidential Information is required to prevent Seller or such Affiliate from being held in contempt or becoming subject to any other penalty under applicable Law. For purposes of this Agreement, "**Confidential Information**" consists of all information and data directly related to the Asset Purchase Agreement relating to Buyer or the Acquired Assets and the Business, including assets, liabilities, financial statements, conditions or operations relating to Buyer or the Business, including the Transactions (other than data or information that is or becomes available to the public other than as a result of a breach of this Section).

Section 4.8 Tax Treatment and Purchase Price Allocation. The parties hereto agree to treat, for Tax purposes, Buyer's purchase of the Acquired Assets and assumption of the Assumed Liabilities as a taxable sale of assets in exchange for the Final Consideration pursuant to Section 1001 of the Code. Buyer shall prepare and deliver to Seller a schedule allocating the Final Consideration (and any other amounts treated as consideration for applicable Tax purposes) among the assets relating to the Business of Seller (collectively, the "**Purchase Price Allocations**") within 120 calendar days after the Closing Date. The Purchase Price Allocations shall be prepared in good faith in accordance with Section 1060 of the Code and the Treasury Regulations thereunder. Seller

shall have the right to review and raise any objections in writing to the Purchase Price Allocations during the 30 calendar-day period after receipt thereof. If Seller does not raise any objections within such 30 calendar-day period, Seller shall be deemed to have agreed to Buyer's Purchase Price Allocations and such Purchase Price Allocations shall be final, conclusive and binding upon the parties. If Seller raises an objection in writing within such 30 calendar-day period, the parties shall negotiate in good faith to resolve the dispute. If the parties are unable to resolve the dispute within 30 calendar days after the commencement of such negotiations, then the Accounting Firm shall be engaged to review the Purchase Price Allocations and to finally resolve all disputes. The determination of the Accounting Firm regarding the Purchase Price Allocations shall be delivered as soon as practicable following engagement of the Accounting Firm, but in no event more than 60 calendar days thereafter, and shall, absent manifest error, be final, conclusive and binding upon Seller and Buyer. Buyer and Seller will each pay their own costs and expenses in connection with the engagement of the Accounting Firm. Buyer and Seller agree to (x) be bound by the Purchase Price Allocations determined to be final by this Section 4.8 (the "*Final Purchase Price Allocations*"), (y) act in accordance with the Final Purchase Price Allocations in the preparation and filing of all Tax Returns and (z) take no position inconsistent with the Final Purchase Price Allocations for all Tax purposes (unless and to the extent required to do so pursuant to a determination (as defined in Section 1313(a) of the Code or any similar U.S. state or local Tax provision)). The parties shall, in good faith, make adjustments to the Final Purchase Price Allocations as necessary to account for any subsequent adjustment to the Final Consideration pursuant to this Section 4.8 or Article V. In the event that any Taxing Authority disputes the Final Purchase Price Allocations, Seller or Buyer, as the case may be, shall promptly notify the other parties in writing of the nature of such dispute.

**Section 4.9 Apportionment of Taxes.** For purposes of this Agreement, if any Tax (or Tax refund) with respect to the Business relates to a period that begins on or before and ends after the Closing Date, the parties hereto shall use the following conventions for determining the portion of such Tax (or Tax refund) that relates to a Pre-Closing Tax Period and the portion that relates to a Post-Closing Tax Period: (a) in the case of property Taxes and other similar Taxes imposed on a periodic basis, the amount of Taxes (or Tax refunds) attributable to the Pre-Closing Tax Period shall be determined by multiplying the Taxes for the entire period by a fraction, the numerator of which is the number of calendar days in the portion of the period ending on and including the Closing Date and the denominator of which is the number of calendar days in the entire period, and the remaining amount of such Taxes (or Tax refunds) shall be attributable to the Post-Closing Tax Period; and (b) in the case of all other Taxes (including income Taxes, employment Taxes and sales and use Taxes), the amount of Taxes (or Tax refunds) attributable to the Pre-Closing Tax Period shall be determined as if a separate return was filed for the period ending as of the end of the day on the Closing Date using a "closing of the books methodology", and the remaining amount of the Taxes (or Tax refunds) for such period shall be attributable to the Post-Closing Tax Period.

**Section 4.10 Cooperation on Tax Matters.** Seller shall (i) assist in the preparation and timely filing of any Tax Return relating to the Business or the Acquired Assets with respect to any Pre-Closing Tax Period; (ii) assist in any audit or other proceeding with respect to Taxes or Tax Returns relating to the Business or the Acquired Assets with respect to any Pre-Closing Tax Period; (iii) retain for the full period of any statute of limitations and make available any information, records, or other documents relating to any Taxes or Tax Returns relating to the Business or the Acquired Assets with respect to any Pre-Closing Tax Period; and (iv) provide any information

required to allow Buyer to comply with all information reporting or withholding requirements contained in the Code or other applicable Laws.

Section 4.11 Transfer Taxes. All sums payable under this Agreement are exclusive of Transfer Taxes. All Transfer Taxes imposed or levied by reason of, in connection with or attributable to this Agreement and the Ancillary Agreements or the Transactions shall be borne by Seller. Any cost or expense incurred in connection with filing any Tax Return related to Transfer Taxes will be borne by Seller. The parties hereto will cooperate with one another in connection with the preparation and filing of any such Tax Return relating to Transfer Taxes.

Section 4.12 Annual Bonus or Incentive Compensation; Tax Reporting. On or before the Closing, Seller shall pay all annual bonus or incentive compensation, subject to the withholding, remittance and payment of applicable Taxes to the appropriate Taxing Authority, due or owing to any employee of Seller or the Business. Seller shall reimburse Buyer the amount of any annual bonus or incentive compensation due or owing, including the employer portion of all applicable withholding Taxes and other amounts required to be withheld under applicable Law, to any employee of Seller as of the Closing Date not paid by Seller to any such employee as of immediately prior to the Closing. Seller shall timely perform all reporting duties required under applicable Law related to any wages, benefits, and other compensation Seller pays or paid to any employee of the Business, including without limitation the filing of Forms 941 and Forms 1094-C and the furnishing and filing of Forms W-2 and Forms 1095-C for any period it employed or otherwise provided wages, benefits, or other compensation to any employee of the Business. With respect to employment Tax matters, (a) Buyer shall not assume Seller's obligation to prepare, file, and furnish IRS Form W-2s with respect to the employees of the Business that transfer employment from Seller to Buyer at (or immediately after) the Closing for the year including the Closing Date; (b) Seller and Buyer shall agree to elect the "standard procedure" with respect to each such employee pursuant to the procedure prescribed by Section 4 of Revenue Procedure 2004-53, 34 I.R.B 320; and (c) Seller and Buyer shall work in good faith to adopt similar procedures under applicable wage payment, reporting and withholding Laws for all such employees in all appropriate jurisdictions. Seller shall indemnify and hold Buyer harmless from any Taxes incurred by Buyer that result from Seller's failure to comply with appropriate employment Tax matters.

Section 4.13 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Acquired Assets to Buyer; it being understood that any liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

Section 4.14 Further Assurances; Wrong Pockets. In case at any time after the Closing any further actions are necessary to carry out the purposes of this Agreement or the Transactions, each party hereto will take such further actions (including the execution and delivery of such further instruments and documents) as any other such party may reasonably request, all at the sole cost and expense of the requesting party. Seller agrees that, in the event any funds are held in or deposited into any of the depository accounts of Seller with respect to the Receivables and/or the operation of the business of Buyer following the Closing, Seller shall immediately remit such funds to Buyer. Upon Buyer's request, Seller shall provide to Buyer's employees or agents reasonable

access to such depository accounts of Seller for the purpose of verifying compliance with the terms of this Section 4.14.

Section 4.15 Governmental Approvals and Consents. Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the Ancillary Agreements. Each party shall cooperate fully with the other parties and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals. Seller and Buyer shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Schedule 2.3(a)(iii) and Schedule 2.3(b); *provided, however*, that Seller shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested.

Section 4.16 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of their counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media after the Closing Date without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate in good faith to agree to the form of a public announcement in respect of this Agreement promptly following the Closing.

Section 4.17 Tax Clearance Certificates. Seller shall obtain a certificate of no Tax due, certificate of compliance, or Tax clearance certificate from each jurisdiction in which Seller has filed Tax Returns, dated no more than 60 days prior to the Closing Date (each, a “***Tax Clearance Certificate***”). If, in respect to any application for a Tax Clearance Certificate made pursuant to this Section 4.17, any Taxing Authority asserts that Seller is liable for any Tax, Seller shall promptly pay any and all such amounts and shall provide evidence to Buyer that such liabilities have been paid in full or otherwise satisfied.

Section 4.18 Notification of Change of Control. For purposes of Medicare and Medicaid participation, state licensure, accreditation, and Commercial Healthcare Contracts, Seller agrees to cooperate with Buyer’s reasonable instructions regarding the requirements of and compliance with all state and federal Laws, manuals, guidance and contract provisions governing changes in ownership or control or cessation of operations, as applicable, including notifying the appropriate intermediary and all appropriate state and federal agencies.

Section 4.19 Employees. Buyer hereby agrees to offer post-Closing employment to those employees of Seller who are set forth on Schedule 4.19 (the “***Transferring Employees***”). An employee of Seller to whom Buyer does not extend an offer of employment at the time of Closing will receive, at Seller’s liability, severance pursuant to existing Seller policies, as applicable and any other annual bonus or incentive compensation to which they are entitled. The Transferring Employees shall be treated as new hires by Buyer and employees at-will, subject to Buyer’s and its Affiliates’ employment and onboarding policies and practices. Buyer agrees to provide credit for the Transferring Employees’ service with Seller prior to the Closing Date for purposes of

eligibility and vesting under Buyer's employee benefit plans (but excluding crediting under any defined benefit plan) to the extent permissible by the terms of the applicable employee benefit plan of Buyer and only to the extent (i) such service was credited under the comparable Plan and (ii) would not result in a duplication of benefits or compensation. Nothing herein shall obligate Buyer to employ those Transferring Employees who accept employment with Buyer or its Affiliates for any specific time period beyond twelve months from the Closing Date or offer any other specific terms and conditions of employment to any of the Transferring Employees. If and to the extent that Buyer enters, at Closing, into an employment or consulting agreement with a Transferring Employee who is party to a current employment agreement with Seller, such employment agreement or consulting agreement with Buyer will supersede the Transferring Employee's existing employment agreement with Seller, if any.

## ARTICLE V INDEMNIFICATION

Section 5.1 Survival of Representations and Warranties. The representations and warranties of Seller and Buyer contained in this Agreement and the Ancillary Agreements and any schedule, certificate or other document delivered pursuant hereto or thereto or in connection with the Transactions shall survive the Closing until the date that is 24 months following the Closing Date; *provided, however*, that:

(a) the representations and warranties set forth in Section 2.1 (Organization and Qualification) and Section 3.1 (Organization and Qualification), Section 2.2 (Authority) and Section 3.2 (Authority), Section 2.3(a)(i) (No Conflict (Governing Documents)) and Section 3.3(a)(i) (No Conflict (Governing Documents)), Section 2.4 (Capitalization; Subsidiaries), Section 2.23 (No Brokers) and Section 3.4 (No Brokers), and Section 2.12 (Title to, Sufficiency and Condition of Assets) (collectively, the "***Core Representations***") shall survive for a period of six years following the Closing Date and any representation in the case of fraud or intentional misrepresentation shall survive indefinitely; and

(b) the representations and warranties set forth in Section 2.10 (Employee Benefit Plans) and Section 2.15 (Taxes) shall survive until the 60<sup>th</sup> day after the expiration of the applicable statute of limitations (after giving effect to any waiver, mitigation or extension thereof).

Section 5.2 Indemnification by Seller. To the extent permitted under applicable Tennessee Law, Seller shall save, defend, indemnify and hold harmless Buyer, its Affiliates, and their respective Representatives, direct or indirect equityholders, directors, managers, partners, officers, lenders, successors and assigns (the "***Buyer Indemnified Parties***") from and against any and all losses, damages, liabilities, deficiencies, claims, diminution of value, interest, awards, judgments, penalties, costs and expenses (including attorneys' fees, costs and other out-of-pocket expenses incurred in investigating, pursuing, preparing or defending the foregoing) (collectively, "***Losses***"), asserted against, incurred, sustained or suffered by any of the foregoing as a result of, arising out of or relating to:

(a) any breach of any representation or warranty made by Seller contained in this Agreement or any Ancillary Agreement or any schedule, certificate or other document delivered pursuant hereto or thereto or in connection with the Transactions;

(b) any breach of any covenant or agreement by Seller contained in this Agreement or any Ancillary Agreement or any schedule, certificate or other document delivered pursuant hereto or thereto or in connection with the transactions contemplated hereby or thereby;

(c) any of the Excluded Liabilities; or

(d) fraud or intentional misrepresentation;

*provided*, that with respect to any Losses arising from Third Party Claims against the Buyer Indemnified Parties regarding matters set forth under this Section 5.2, Seller's indemnification obligations hereunder shall be subject to applicable Tennessee Law regarding indemnification by a state governmental entity, and, if applicable, limited to the liability cap established by the Tennessee Governmental Tort Liability Act for governmental entities.

Section 5.3 Indemnification by Buyer. Subject to the limitations in Section 5.5, Buyer shall save, defend, indemnify and hold harmless Seller and its Affiliates and the respective Representatives, successors and assigns of each of the foregoing from and against any and all Losses asserted against, incurred, sustained or suffered by any of the foregoing as a result of, arising out of or relating to:

(a) any breach or inaccuracy of any representation or warranty made by Buyer contained in this Agreement or any Ancillary Agreement or any schedule, certificate or other document delivered pursuant hereto or thereto or in connection with the Transactions;

(b) any breach of any covenant or agreement by Buyer contained in this Agreement or any Ancillary Agreement or any schedule, certificate or other document delivered pursuant hereto or thereto or in connection with the Transactions;

(c) any of the Assumed Liabilities; or

(d) Buyer's conduct of the Business or Buyer's operation of the Acquired Assets (other than the Excluded Assets) after the Closing Date.

Section 5.4 Priority of Indemnity. Notwithstanding anything to the contrary in this Agreement, if a Buyer Indemnified Party is entitled to indemnification, (i) first, a Buyer Indemnified Party shall seek recovery from the Indemnity Escrow Account until the exhaustion or release of such funds, and (ii) second, to the extent the unpaid Losses in respect of a claim for indemnification exceed recovery available from the Indemnity Escrow Account, a Buyer Indemnified Party shall seek recovery for such excess directly from Seller.

Section 5.5 Limits on Indemnification.

(a) Notwithstanding anything to the contrary contained in this Agreement, the maximum aggregate amount of indemnifiable Losses which may be recovered from an Indemnifying Party pursuant to Section 5.2(a) or Section 5.3(a) shall be an amount equal to the Base Amount; *provided, however*, that the foregoing clause shall not apply in the event of (i) a breach of any Core Representation or (ii) fraud or intentional misrepresentation.



(b) The maximum aggregate liability in respect of claims for indemnification for Losses resulting from, arising out of, relating to or in connection with breaches of the Core Representations shall not exceed an amount equal to the Base Amount.

(c) No individual claim for indemnification pursuant to Section 5.2(a) or Section 5.3(a) shall be asserted unless and until the aggregate amount of all Losses in respect of indemnification under Section 5.2(a) or Section 5.3(a), as the case may be, exceeds an amount equal to \$50,000, in which event the Indemnifying Parties shall be required to pay or be liable for all Losses from the first dollar; *provided, however*, that the foregoing clause shall not apply in the event of (i) a breach of any Core Representation or (ii) fraud or intentional misrepresentation.

(d) The Indemnified Party may not make a claim for indemnification under Section 5.2(a) or Section 5.3(a), as the case may be, for breach by the Indemnifying Party of a particular representation or warranty after the expiration of the survival period thereof specified in Section 5.1, unless a claim is made hereunder prior to the expiration of the survival period for such representation and warranty, in which case such representation and warranty shall survive as to such claim until such claim has been finally resolved.

(e) For purposes of the indemnification obligations under this Article V, all of the representations and warranties set forth in this Agreement or any of the Ancillary Agreements or any certificate or Schedule that are qualified as to “material,” “materiality,” “material respects,” “Material Adverse Effect” or words of similar import or effect shall be deemed to have been made without any such qualification for purposes of determining (i) whether a breach of any such representation or warranty has occurred and (ii) the amount of Losses resulting from, arising out of or relating to any such breach of representation or warranty.

(f) The amount of any Losses for indemnification hereunder shall be calculated net of any amounts actually recovered by the Indemnified Party for such Losses under any applicable third party insurance policies (excluding self-insurance arrangements), less the costs and expenses incurred by the Indemnified Party to collect any such insurance proceeds (including reasonable attorneys’ fees and expenses and any deductibles or self-insured retentions, any increases in premium or any retroactive premium adjustments directly related to obtaining such insurance proceeds), it being agreed and understood that no Indemnified Party shall have any obligation to seek recovery under any insurance policy prior to making any claim for indemnification hereunder.

**Section 5.6 Procedures.** Promptly upon receipt by a party (the “*Indemnified Party*”) of a notice of a claim by a third party that may give rise to a claim for Losses (a “*Third Party Claim*”), the Indemnified Party shall give written notice thereof to the party against whom indemnity is sought (the “*Indemnifying Party*”) in writing of the same within thirty (30) days of receipt of such written assertion of a claim or liability. Should the Indemnified Party fail to notify the Indemnifying Party in the time required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have resulted absent the Indemnified Party’s failure to notify the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party. If the Indemnifying Party gives to the Indemnified Party an agreement in writing, in a form reasonably satisfactory to the Indemnified Party’s counsel, to defend such claim

for Losses, the Indemnifying Party may, at their sole expense, undertake the defense against such claim and may contest or settle such claim on such terms, at such time and in such manner as the Indemnifying Party, in their sole discretion, shall elect; *provided, however*, that the Indemnifying Party shall not be entitled to assume the defense of such third-party claim if such claim is by or involves a customer, supplier or governmental entity or seeks injunctive relief or if the amount of damages claimed in such claim could exceed the Base Amount; *provided, further*, in no event may any such settlement involve an admission of fault, press release, or any impact on the then-current or future operations of the Indemnified Party without Indemnified Party's prior written consent. Subject to the foregoing, the Indemnified Party shall execute such documents and take such steps as may be reasonably necessary in the opinion of counsel for the Indemnifying Party to enable the Indemnifying Party to conduct the defense of such claim for Losses. If the Indemnifying Party fail or refuse to defend any claim for Losses, the Indemnifying Party may nevertheless, at its own expense, participate in the defense of such claim by the Indemnified Party and in any and all settlement negotiations relating thereto. In any and all events, the Indemnifying Party shall have such access to the records and files of the Indemnified Party relating to any claim for Losses as may be reasonably necessary to effectively defend or participate in the defense thereof.

Section 5.7 Release of Indemnity Escrow Amount. On the date that is 12 months after the Closing Date, Buyer and Seller shall deliver joint written instructions to the Escrow Agent pursuant to the terms of the Escrow Agreement, instructing the Escrow Agent to release the then-remaining funds in the Indemnity Escrow Account, less the amount of any indemnification claims made by Buyer pursuant to this Article V prior to such date that have yet to be paid, are in dispute or as to which a Third Party Claim is pending.

Section 5.8 Tax Treatment of Indemnity Payments. Except as otherwise required by applicable Law, Seller and Buyer agree to treat any indemnity payment made pursuant to this Article V as an adjustment to the Final Consideration for federal, state, local and foreign income Tax purposes.

Section 5.9 Exclusive Remedy. From and after the Closing, the sole and exclusive remedy for any breach or failure to be true and correct, or alleged breach or failure to be true and correct, of any representation or warranty or any covenant or agreement in this Agreement shall be indemnification in accordance with this Article V; *provided, however*, nothing herein shall preclude any party from (a) seeking any remedy based upon fraud or intentional misrepresentation in connection with the transactions contemplated by this Agreement or (b) enforcing its right to specific performance of covenants, agreements or other obligations, including pursuant to Section 6.10.

## **ARTICLE VI GENERAL PROVISIONS**

Section 6.1 Fees and Expenses. Except as otherwise provided herein, all fees and expenses incurred in connection with or related to this Agreement and the Ancillary Agreements and the Transactions shall be paid by the party incurring such fees or expenses, whether or not such Transactions are consummated; *provided, however*, the Transaction Expenses shall be borne and paid by Seller and not by Buyer.

Section 6.2 Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party.

Section 6.3 Waiver. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of either party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

Section 6.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile, upon written confirmation of receipt by facsimile, or otherwise, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(i) if to Seller, to:

West Tennessee Healthcare  
620 Skyline Drive  
Jackson, TN 38301  
Attention: Vanessa Patrick  
Email: [Vanessa.patrick@wth.org](mailto:Vanessa.patrick@wth.org)

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

West Tennessee Healthcare  
620 Skyline Drive  
Jackson, TN 38301  
Attention: Legal Department  
Email: [Contract@wth.org](mailto:Contract@wth.org)

(ii) if to Buyer, to:

AdaptHealth LLC  
220 W. Germantown Pike, Suite 250  
Plymouth Meeting, PA 19462  
Attention: Richard Rew, Chief Legal Officer  
Email: [richard.rew@adapthealth.com](mailto:richard.rew@adapthealth.com)

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

Polsinelli PC  
555 Fayetteville Street, Suite 720  
Raleigh, NC 27601  
Attention: Barry Alexander  
Email: [baalexander@polsinelli.com](mailto:baalexander@polsinelli.com)

Section 6.5 Interpretation. When a reference is made in this Agreement to a Section, Article or Exhibit such reference shall be to a Section, Article or Exhibit of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement or in any Exhibit are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Any capitalized terms used in any Exhibit but not otherwise defined therein shall have the meaning as defined in this Agreement. All Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein. The word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified.

Section 6.6 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto), and the Ancillary Agreements constitute the entire agreement, and supersede all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings between the parties with respect to the subject matter hereof and thereof. Notwithstanding any oral agreement or course of action of the parties or their Representatives to the contrary, no party to this Agreement shall be under any legal obligation to enter into or complete the Transactions unless and until this Agreement shall have been executed and delivered by each of the parties.

Section 6.7 No Third-Party Beneficiaries. Except as provided in Article V, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

Section 6.8 Governing Law. This Agreement is governed by and shall be construed and enforced in accordance with the internal, substantive Laws of the State of Tennessee without giving effect to the conflict of Laws principals that would apply the Law of any other jurisdiction.

Section 6.9 Assignment: Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by either party without the prior written consent of the other party, and any such assignment without such prior written consent shall be null and void; *provided, however*, that Buyer may assign this Agreement to any Affiliate of Buyer and may collaterally assign this Agreement to any lender of Buyer without the prior consent of Seller. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 6.10 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any state or federal court sitting in Madison County, Tennessee, and each party hereby accepts the jurisdiction of such courts and waives any objections based on a lack of personal jurisdiction or forum *non conveniens*, this being in addition to any other remedy to which such party is entitled at law or in equity. Each party hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security as a prerequisite to obtaining equitable relief.

Section 6.11 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 6.12 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS.

Section 6.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same instrument. This Agreement may be executed by facsimile, portable document format (pdf) or other electronically or mechanically reproduced signature and such signature shall constitute an original signature for all purposes notwithstanding any statute or decisional Law to the contrary.

*[Signature page follows]*

IN WITNESS WHEREOF, Buyer and Seller have caused this Agreement to be executed effective as of the date first written above by their respective officers thereunto duly authorized.

**BUYER:**

**MEDICAL NECESSITIES AND SERVICES,  
LLC**

By:   
Name: Richard Rew  
Title: Secretary

**SELLER:**

**JACKSON-MADISON COUNTY GENERAL  
HOSPITAL DISTRICT**

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

IN WITNESS WHEREOF, Buyer and Seller have caused this Agreement to be executed effective as of the date first written above by their respective officers thereunto duly authorized.

**BUYER:**

**MEDICAL NECESSITIES AND SERVICES,  
LLC**

By: \_\_\_\_\_  
Name: Richard Rew  
Title: Secretary

**SELLER:**

**JACKSON-MADISON COUNTY GENERAL  
HOSPITAL DISTRICT**

By: Tina Prescott  
Name: Tina Prescott  
Title: President & CEO