

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

In re)	Chapter 11
)	
LMCHH PCP LLC, <i>et al.</i> , ¹)	Case No. 17-10353
)	
)	Section "B"
Debtors.)	
)	Jointly Administered with
)	Case No. 17-10354
)	
)	

MOTION PURSUANT TO SECTIONS 105(a), 363, AND 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004, 6006, REQUESTING ENTRY OF (I) THE BIDDING PROCEDURES ORDER (a) APPROVING THE BIDDING PROCEDURES, (b) SCHEDULING AN AUCTION, (c) APPROVING THE BREAK-UP FEE AND EXPENSE REIMBURSEMENT, (d) SCHEDULING A FINAL SALE HEARING, AND (e) APPROVING THE FORM AND MANNER OF NOTICE OF AUCTION AND SALE AND NOTICE OF ASSUMPTION AND ASSIGNMENT OF CONTRACTS; AND (II) THE SALE ORDER APPROVING THE SALE OF ASSETS, INCLUDING THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS, FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS

LMCHH PCP LLC, a Delaware limited liability company, and Louisiana Medical Center and Heart Hospital, LLC, a North Carolina limited liability company (together, the “**Debtors**”),² hereby file this motion (the “Motion”) pursuant to Sections 105(a), 363, and 365 of Title 11, United States Code (the “Bankruptcy Code”) and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), requesting entry of (I) the Bidding Procedures Order (a) approving the Bidding Procedures, (b) scheduling an Auction, (c) approving the Break-Up Fee and Expense Reimbursement, (d) scheduling a Final Sale Hearing,

¹ The last four digits of the taxpayer identification numbers for each of the Debtors follow in parenthesis: (i) LMCHH PCP LLC (8569); and (ii) Louisiana Medical Center and Heart Hospital, LLC (7298). The mailing address for both of the Debtors is 64030 Highway 434, Lacombe, LA 70445.

² Capitalized words not defined herein shall have the meaning given to them in the Proposed PSA (defined below). To the extent there are any inconsistencies between this summary description and the Proposed PSA, the terms of the Proposed PSA shall control.

and (e) approving the form and manner of Notice of Auction and Sale and Notice of Assumption and Assignment of Contracts; and (II) the Sale Order approving the Sale of Assets, including the Assumption and Assignment of Contracts, Free and Clear of All Liens, Claims and Interests. In support of the Motion, the Debtors respectfully represent as follows:

I. GENERAL BACKGROUND

1. On January 30, 2017 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief, seeking protection under Chapter 11 of the Bankruptcy Code and commencing the Debtors’ bankruptcy cases.

2. On February 10, 2017, the U.S. Trustee for Region 3³ appointed an Official Committee of Unsecured Creditors in the Debtors’ cases. No creditor or party in interest in these Chapter 11 cases has requested the appointment of a Chapter 11 trustee or examiner.

A. The Debtors’ Business and Reasons for Seeking Chapter 11 Relief

3. The Debtors were a nationally recognized 132-bed acute-care hospital (the “**Hospital**”) located in the heart of St. Tammany Parish in Lacombe, Louisiana, specializing in treatment of cardiovascular disease and injuries affecting the spine. In addition to cardiovascular and spine care, the Debtors offered a full range of inpatient and outpatient medical, surgical, and diagnostic services covering more than 35 specialties including orthopedics, vascular and general surgery, urology, gastroenterology, and neurology.

4. In recent years, admissions revenue and net outpatient revenue have fallen below projections, while salaries, wages, and benefits have risen substantially. In an attempt to increase revenue, the Debtors added additional physicians to their network, engaged in a concerted

³ This case was originally filed in the U.S. Bankruptcy Court for the District of Delaware. On February 14, 2017, the Delaware Bankruptcy Court entered an order transferring the Debtors’ cases to this Court. [Doc. No. 108].

marketing effort, and sought out supplier contracts with advantageous terms. Despite implementing these new strategic initiatives, hospital intake volume remained flat, the growth of the physician network did not generate sufficient revenues to cover expenses, and increased revenue growth was outpaced by expenses.

5. Since the Petition Date, the Debtors have endeavored to conduct an orderly wind down of their businesses, taking care to preserve the quality of patient care during the wind down period and to comply with applicable federal, state, and local regulations.

6. On February 5, 2017, with approval from the relevant Louisiana state authorities, the Debtors closed the Hospital's emergency department and soon thereafter stopped admitting patients and providing patient care services. The Debtors subsequently ceased all operations at the satellite facilities. As of the filing of this Motion, the Debtors are neither admitting patients nor providing patient care services in any capacity.

7. Further background on the Debtors' business operations, capital, and debt structure, as well as the events leading to the filing of these bankruptcy cases, is set forth in detail in the *Declaration of Neil F. Luria in Support of Chapter 11 Petitions and First Day Motions*, filed on the Petition Date and fully incorporated herein by reference.

B. Facts in Support of Relief Requested

8. On September 15, 2016, Cardiovascular Care Group, Inc. ("CCG") and the Debtors retained SOLIC Capital Advisors LLC ("SOLIC") to identify viable strategic alternatives involving the Debtors and their related assets and operations, including identifying opportunities for the sale of the Debtors' Hospital facility, real estate, equipment, supplies, contracts, and accounts receivable (a "**Potential Transaction**").

9. After its retention SOLIC commenced a marketing process (the “**Marketing Process**”) designed to identify potential acquirers and/or strategic partners and investors that could enable the Debtors to maximize value from the Debtors’ assets for the benefit of all stakeholders.

10. SOLIC continued the Marketing Process after the Debtors commenced their bankruptcy cases.

11. As part of the Marketing Process, SOLIC compiled a list of parties likely to be interested in the Debtors or their assets. From this list, SOLIC contacted approximately thirty-five (35) entities that it believed would be interested in the Debtors’ assets and their businesses.

12. To facilitate diligence, SOLIC and the Debtors created an electronic data room (the “**Data Room**”) whereby potential acquirers would have the opportunity and ability to review materials necessary to assess the Debtors’ assets and businesses.

13. In connection with the Marketing Process, twenty-two (22) parties executed confidentiality and non-disclosure agreements which permitted them access to the Data Room.

14. SOLIC also conducted six (6) site visits and tours with four (4) prospective purchasers.

15. After the Petition Date, the Debtors and SOLIC engaged in substantial discussions with multiple potential purchasers concerning their interest in acquiring some or all of the Debtors’ assets and sought definitive offers.

16. Through SOLIC’s postpetition efforts, the Debtors and SOLIC concluded that the offer received by Stirling Medical Lacombe, L.L.C. (“**Stirling**,” the “**Stalking Horse**” or the “**Proposed Purchaser**”) represented the highest and best opportunity to maximize the value of

the Debtors' assets and, thereafter, actively negotiated the terms of a purchase and sale agreement.

17. As a result of the Marketing Process, discussions with potential purchasers, and negotiations with Stirling, on March 14, 2017, the Debtors entered into that certain Purchase and Sale Agreement (the "**Proposed PSA**") with Stirling through which Stirling seeks to acquire the Hospital and certain identified assets for \$22,000,000, plus the assumption of various liabilities of the Debtors as set forth in the Proposed PSA (the "**Proposed Purchase Price**").

II. JURISDICTION AND VENUE

18. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409

III. REQUEST FOR RELIEF

19. By this Motion, pursuant to Sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, the Debtors request the entry of two orders: (I) a bidding procedures order (the "**Bidding Procedures Order**"), substantially in the form attached hereto as Exhibit A, (a) approving bidding procedures (the "**Bidding Procedures**"), attached to the Bidding Procedures Order as Exhibit 1, in connection with the proposed sale of certain of the Debtors' assets and the assumption and assignment of certain contracts to the Purchaser (the "**Sale**"); (b) scheduling an auction (the "**Auction**"), at which the Debtors will solicit competing bids for the Sale pursuant to the Bidding Procedures; (c) approving a break-up fee and expense reimbursement for the Stalking Horse as protection against a higher and better bid; (d) scheduling a final sale hearing (the "**Sale Hearing**") to approve the Sale of the Debtors' Property (defined below) to the Stalking Horse or to the successful bidder or bidders at the Auction and establishing a deadline for filing objections to the

Sale (the “**Objection Deadline**”); and (e) approving the form and manner of notice of the Auction and Sale Hearing (the “**Notice of Auction and Sale**”), attached to the Bidding Procedures Order as Exhibit 2, and Notice of Assumption and Assignment of Contracts (the “**Notice of Assumption and Assignment**”), attached to the Bidding Procedures Order as Exhibit 3; and, upon completion of the Sale Hearing, (II) an order substantially in the form attached hereto as Exhibit B (the “**Sale Order**”)⁴ authorizing the Sale of the Debtors’ Property on the terms and conditions set forth in the Proposed PSA attached hereto (without the Schedules referenced therein) as Exhibit C,⁵ or to the successful bidder or bidders at the Auction, free and clear of any and all liens, claims, and interests of any kind, nature or description (collectively, the “**Liens**”) with such Liens attaching to the proceeds of the Sale in their lawful rank and priority.

A. The Purchased Assets and Excluded Assets

20. After consultation with its professionals and advisors and marketing its assets to potential acquirers, the Debtors have determined that the sale of substantially all of their assets to Stirling for the Purchase Price is in the best interest of all of the Debtors’ stakeholders.

21. The Proposed PSA between the Debtors and Stirling provides for the transfer of substantially all of the Debtors’ assets to Stirling including (i) the land more particularly described on Exhibit A to the Proposed PSA together with all rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (the “**Land**”), (ii) the Hospital, including all fixtures and improvements affixed to or located on the Land (the “**Improvements**”), (iii) any and all of Seller’s right, title and interest in

⁴ If no Competing Bids are submitted by a qualified bidder prior to the Bid Deadline (as defined in the Bidding Procedures), the Debtors may submit to the Court a revised Sale Order reflecting that no Auction was held and seeking approval of the Sale to the Stalking Horse.

⁵ The Schedules will be made available upon request to parties who have entered into confidentiality and non-disclosure agreements.

and to all tangible personal property owned by the Debtors and located upon the Land or within the Hospital, excluding those items listed on Exhibit B to the Proposed PSA (the “**Personal Property**”); (iv) any and all of Debtors’ right, title and interest in and to the lessor’s interest in that certain Ground Lease dated June 21, 2007 between Seller, as lessor, and LA HEART MOB, L.P., as lessee, as amended by that certain First Amendment to Ground Lease dated July 3, 2007, that certain Second Amendment to Ground Lease dated February 28, 2008, that certain Amendment to Notice of Ground Lease dated March 26, 2008, that certain Lease Assignment, Assumption and Ratification Agreement dated March 26, 2008, and that certain Third Amendment to Ground Lease dated March 26, 2010 (collectively and as it may have been amended or assigned from time to time, the “**Ground Lease**”); (v) any and all of Debtors’ right, title and interest in and to (a) all assignable existing warranties and guaranties (express or implied) issued to Debtors in connection with the improvements to the Hospital or the Personal Property, and (b) all assignable existing permits, licenses, approvals and authorizations issued by any governmental authority in connection with the Property (the “**Intangibles**”); and (vi) any and all oil, gas and other minerals and associated hydrocarbons on, under and beneath the Land (the “**Mineral Rights**”).⁶ The Land and the Improvements are hereinafter referred to collectively as the “Real Property.” The Land, the Improvements, the Personal Property, the Intangibles and the Mineral Rights are hereinafter referred to collectively as the “Property.”

22. The assets to be transferred pursuant to the Proposed PSA do not include each of the following: (i) any cash on hand, deposits, cash equivalents (including any and all accounts receivable and other rights to payment), and marketable securities, and all rights to any bank accounts of Seller; (ii) all deposits made by or on behalf of Debtors with respect to utility

⁶ As noted above, the Schedules to the Proposed PSA are not attached hereto, but are available upon request upon the execution of an appropriate non-disclosure agreement.

services provided to the Land and/or Improvements; (iii) any and all of Debtors' right, title and interest in and to the leases and licenses with respect to the fixed assets and equipment more particularly described in Exhibit B-1 attached to the Proposed PSA; (iv) any and all of Debtors' right, title and interest in and to the equipment, furniture, furnishings, computer hardware, and other tangible personal property that has been loaned to Debtors by third parties, including but not limited to that more particularly described in Exhibit B-2 attached to the Proposed PSA; (v) any and all of Debtors' right, title and interest in and to the equipment, furniture, furnishings, computer hardware, and other tangible personal furniture, equipment or inventory related to the Debtors' physician offices that is currently being stored on the third floor of the Improvements on the Effective Date, (vi) all of Debtors' right, title and interest in and to any information generated from and medical supplies used in connection with the operation of the Land and the Improvements, including without limitation, medical records, electronic medical and patient information systems, patient billing records, pharmaceuticals, biologicals, disposable medical and surgical supplies and inventory; (vii) any and all rights or obligations of Debtors under any third party agreements related to the Land except for the Permitted Exceptions and the Ground Lease; (viii) any provider numbers under government programs (including Medicare and Medicaid programs and such other similar federal, state or local reimbursement or governmental programs), private and managed care payors, fiscal intermediaries or other third party payors, in each case, relating to Debtors or their Affiliates, and all lockbox accounts; (ix) the patient medical records relating to the clinical services provided by the Debtors, including the electronic patient medical records and the supporting McKesson electronic medical records license and any physical patient records; (x) Debtors' corporate records and minute books; (xi) information technology infrastructure owned by Debtors, including without limitation, any (A) servers located in the Improvements,

(B) computers located in any administrative offices located in the Improvements, and (C) computers currently utilized by Debtors' administrative staff responsible for the winding down of the operations of Debtors; (xii) all furniture, fixtures and equipment currently stored on the fourth floor of the Improvements on the Effective Date; (xiii) and furniture, equipment or inventory related to the Debtors' physician offices that is currently being stored on the third floor of the Improvements on the Effective Date; (xiv) the physical therapy equipment and X-Ray equipment related to the Debtors' physician offices that is currently being stored on the first floor of the Improvements on the Effective Date and more particularly described in Exhibit B-3 attached to the Proposed PSA; (xv) any and all causes of action related to the excluded assets; and (xvi) any and all causes of action arising under, or which may be brought by a trustee under, Chapter 5 of the Bankruptcy Code or any claims (if any) against officers, directors, managers, affiliates, or insiders of the Debtors, related investment funds, management company or their respective partners, shareholders, directors, managers, officers, employees, agents, advisors, representatives, heirs, successors and assigns, or any insurers thereof and the proceeds thereof (collectively, the "Excluded Assets").

B. The Proposed Sale of the Property

23. The Proposed PSA provides that the proposed Sale of the Property is subject to higher and better offers, binding the Debtors only to pay a break-up fee (described below) to the Stalking Horse in the event that the Bankruptcy Court does not approve the Sale to the Stalking Horse or the Sale to the Stalking Horse does not close prior to Expiration Date (defined below), and the Debtors terminate the Proposed PSA as a result. The Debtors reserve their right to withdraw this Motion at any time prior to the Sale Hearing, subject only the Remedies set forth in the Proposed PSA. The principal terms and conditions of the Proposed PSA are as follows:

- a. **Purchase Price.** The Purchase Price of the Property is Twenty-Two Million Dollars (\$22,000,000.00) (the “**Purchase Price**”). Proposed PSA § 1.3. The Purchase Price is subject to as increase or decrease by prorations and adjustments as herein provided in the Proposed PSA.
- b. **Deposit.** Concurrently with the execution of the Proposed PSA, Stirling deposited Three Million Dollars (\$3,000,000) with First American Title Insurance Company (“**Escrow Agent**”) as a good faith deposit. Proposed PSA § 1.6.
- c. **Break-up Fee.** Upon the occurrence of a Compensable Termination Event,⁷ Stirling shall be entitled to payment of a break-up fee (not dependent on amounts actually extended or incurred by Purchaser) in cash or other immediately available funds in the amount of two percent (2%) of the Purchase Price (the “**Break-up Fee**”). The Break-up Fee shall be paid to Stirling concurrently with the occurrence of the Compensable Termination Event from proceeds from the closing of a transaction involving a sale, refinancing or reorganization of all or substantially all of the Property. Proposed PSA § 8.3.
- d. **Expense Reimbursement.** If the Closing occurs, or upon the occurrence of a Compensable Termination Event, Stirling shall be entitled to the reimbursement of all reasonable out of pocket costs and expenses (including attorneys’ fees and expenses) incurred by Stirling in connection with the negotiation, execution and delivery of the Proposed PSA up to an aggregate amount of Fifty Thousand Dollars (\$50,000.00) (the “**Expense Reimbursement**”). The Expense Reimbursement shall constitute a reimbursement of expenses incurred by Stirling and shall be paid to Stirling (i) by the Debtors at Closing, if Closing occurs, or (ii) concurrently with the occurrence of a Compensable Termination Event from proceeds from the closing of a transaction involving a sale, refinancing or reorganization of all or substantially all of the Property. Proposed PSA § 8.4.
- e. **Termination of the Proposed PSA.** The Proposed PSA may be terminated at any time prior to Closing:
 - i. In writing by mutual consent of the Debtors and Stirling.
 - ii. by written notice from the Debtors to Stirling, in the event Stirling (i) fails to perform in any material respect any of its agreements contained in the Proposed PSA required to be performed by it at or prior to the Closing or (ii) breaches any of its representations and warranties contained in the Proposed PSA herein such that any such breach would result in a failure of the condition in Section 4.7(c), which failure or breach is not cured within

⁷ “**Compensable Termination Event**” shall have occurred if Stirling is not in material breach of the Agreement and (i) the Bankruptcy Court approves the sale of the Property to a party other than Purchaser, (ii) Seller commits a breach of the Agreement, or (iii) the Sale Order is modified in a manner that is materially adverse to Purchaser.

ten (10) days following the Debtors having notified Stirling of its intent to terminate the Proposed PSA to Section 6.1(b) (in either case, a “**Purchaser Terminating Breach**”), provided, however, that the Debtors shall have no right to terminate the Proposed PSA pursuant to Section 6.1(b) if there is an uncured Seller Terminating Breach (as defined below) at the time of the Purchaser Terminating Breach;

- iii. by written notice from Stirling to the Debtors, in the event the Debtors (i) fail to perform in any material respect any of their agreements contained in the Proposed PSA required to be performed by them at or prior to the Closing or (ii) breach any of their representations and warranties contained in the Proposed PSA such that any such breach would result in a failure of the condition in Section 4.6(c), which failure or breach is not cured within ten (10) days following Stirling having notified the Debtors of its intent to terminate the Proposed PSA pursuant to Section 6.1(c) (in either case, a “**Seller Terminating Breach**”), provided, however, that Stirling shall have no right to terminate the Proposed PSA pursuant to Section 6.1(c) if there is an uncured Purchaser Terminating Breach at the time of the Seller Terminating Breach;
- iv. by written notice by the Debtors to Stirling or Stirling to the Debtors, as the case may be, in the event the Closing has not occurred on or prior to June 30, 2017 (the “**Expiration Date**”) for any reason other than delay, breach or nonperformance of the Party seeking such termination;
- v. by written notice from Stirling to the Debtors, if any the Debtors’ bankruptcy cases is converted to a case or cases under Chapter 7 of the Bankruptcy Code;
- vi. by written notice from Stirling to the Debtors, if (i) the Sale Order shall not have been entered by the Bankruptcy Court on or before May 31, 2017, or (ii) following its entry, the Sale Order (A) shall fail to be in full force and effect or shall have been vacated, stayed or reversed, or (B) shall have been modified or amended in any respect without the prior written consent of Stirling;
- vii. by written notice from Stirling to the Debtors, if the Debtors file a plan of reorganization or liquidation that does not provide for the consummation of the transactions contemplated by the Proposed PSA; or
- viii. by written notice from Purchaser to Seller under the circumstances described in Article VII of the Proposed PSA.

Proposed PSA § 6.1.

C. Bidding Procedures and the Auction

24. In order to maximize value for all of its stakeholders, the Debtors intend to initiate a competitive bidding process by making the Sale of the Property through the Proposed PSA subject to higher and better offers at an Auction. The proposed Bidding Procedures are set forth below, but may be modified, amended, or waived by the Debtors, in their sole discretion, after consultation with the Committee, so long as such modifications, amendments or waivers do not otherwise conflict with the terms and requirements set forth in the Proposed PSA.

- a. **Potential Bidder.** The Debtors shall deliver the Sale Motion to all parties who are known to have expressed an interest in acquiring the assets and any other entity that requests service of the Sale Motion (the “**Potential Bidders**”).
- b. **Confidentiality Agreements.** The Debtors may afford any Potential Bidder the time and opportunity to conduct reasonable due diligence; provided such Potential Bidder enters into a confidentiality agreement (a “**Confidentiality Agreement**”), on terms satisfactory to the Debtors and such other potential Bidders or, in the event of a dispute, upon approval of the Court, limiting its use of such information and demonstrates sufficient financial wherewithal, in the Debtors’ discretion, to consummate the Sale. Any Potential Bidder may obtain a copy of the Confidentiality Agreement from SOLIC. SOLIC and the Debtors may, on their own initiative, also send a copy of the Confidentiality Agreement to those parties who have not yet executed one but whom SOLIC or the Debtors have identified as being likely to be interested in making an offer to purchase the assets and participating in the Auction. Thereafter, the Debtors and SOLIC shall entertain any further reasonable requests for additional information and due diligence from any party who has executed a Confidentiality Agreement and provided the required satisfactory evidence of financial wherewithal. Unless otherwise ordered by the Court, the Debtors, in their discretion and after consultation with the Committee, may deny any such requests for additional information, if, after taking into account, among other things, business factors, legal, regulatory, and other considerations, it determines that doing so would not be in the best interests of their estates and creditors or is otherwise contrary to the goals of the Auction and the Sale. If any due diligence material has not previously been provided to a Potential Bidder or Stirling, then the Debtors shall simultaneously provide such material to the Potential Bidder or Stirling.
- c. **Bidding Deadline.** To participate in the Auction, a Potential Bidder must become a Qualified Bidder (defined below). Unless otherwise ordered by the Bankruptcy Court, for cause shown, or as otherwise determined by the Debtors, each Potential Bidder must have delivered to (a) SOLIC Capital Advisors, ATTN: Greg Hagood 3284 Northside Parkway, Suite 450 Atlanta, Georgia 30327 (b) Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender, Esq., (c) Stirling Medical Lacombe, L.L.C. Attn: Townsend Underhill,

109 Northpark Blvd., Suite 300, Covington, Louisiana 70433, with a copy to Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq., (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William F. Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; and (g) counsel to MedCare Investment Fund V, L.P. (“in its capacity as the lender under the DIP Loan Agreement, the “**DIP Lender**”), Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews, a Competing Bid (defined below) such that the Competing Bid is received no later than 4:00 pm prevailing Central Time on May 11, 2017 (the “**Bidding Deadline**”).

d. **Competing Bid.** A Competing Bid consists of the following:

- i. An executed Confidentiality Agreement;
- ii. Current audited financial statements (or such other form of financial disclosure and credit-quality support or enhancement acceptable to the Debtors after consultation with the Committee and, in the event of a dispute approved by the Court) of the Potential Bidder or of those entities that will guarantee the obligations of the Potential Bidder;
- iii. A bid letter including a written expression of the Potential Bidder’s initial bid that includes: (a) such Potential Bidder’s initial bid (an “**Initial Bid**”), (b) a statement that such Potential Bidder is willing to proceed as a buyer on a basis substantially similar to that of Proposed Purchaser, and (c) a binding, definitive, and irrevocable executed copy of the Proposed PSA marked with interlineations indicating any modifications thereto required by such Potential Bidder (which agreement shall not contain any provision entitling such Potential Bidder to any Termination Fee or the other Bidding Procedures set forth therein);
- iv. Provide an earnest money deposit equal to the greater of (x) \$3.0 million or (y) 10% of the Potential Bidder’s Initial Bid (the “**Bid Deposit**”); and
- v. Provide sufficient indicia that such Potential Bidder or its representative is legally empowered, by power of attorney or otherwise (i) to bid on behalf of the Potential Bidder and (ii) to complete and sign, on behalf of the Potential Bidder, a binding and enforceable PSA.

e. **Purchased Assets and Assumed Liabilities.** Each Competing Bid must also: (a) specify the portion of the consideration to be paid in cash and the portion to be paid in any other form of value (if any), including specifying any liability of the

Debtors that such Potential Bidder intends to assume in connection with the Sale above and beyond the Assignment of Intangibles and Assignment of Ground Lease (as defined in the Proposed PSA); (b) if any consideration above and beyond the assumption of the Assignment of Intangibles and Assignment of Ground Lease is to be provided in a form other than cash, provide information concerning such consideration to permit the Debtors to accurately assess the value of such consideration; (c) if the Competing Bid contemplates a purchase of less than all of the Property, provide sufficient detail concerning which of the Property would not be purchased thereby; (d) not contain any contingencies to closing that are not set forth in the Proposed PSA, including, without limitation, contingencies for financing, diligence, board approval, or similar contingencies or condition other than as may be provided in the Proposed PSA; (e) identify with particularity each and every executory contract or unexpired lease the assumption and assignment of which is a condition to Closing, to the extent different from the Assignment of Intangibles and Assignment of Ground Lease proposed to be assumed under the Proposed PSA; (f) require the Qualified Bidder to consummate the Sale on substantially the same timing as set forth in the Proposed PSA; and (g) fully disclose the identity of the entities, if any, which shall be acquiring, directly or indirectly, a portion of the Assets under or in connection with the Competing Bid.

- f. **Qualified Bidder.** A Qualified Bidder is a Potential Bidder that delivers a Competing Bid and that the Debtors determine, in consultation with the Committee, and, in the event of a dispute, as determined by the Court, is reasonably likely (based on financial information submitted by the Potential Bidder, the availability of financing, experience and other considerations deemed relevant by the Debtors) to submit a bona fide offer and to be able to consummate the proposed transaction if selected as the Winning Competing Bidder (defined below) within the time frame provided by the Proposed PSA and the Sale Motion. The Debtors may request additional information from a Potential Bidder to evaluate such Potential Bidder's ability to consummate the Sale and to fulfill its obligations in connection therewith, and, unless otherwise provided by the Court, such Potential Bidder will be obligated to provide such information as a precondition to participating further in the Auction. As promptly as practicable after a Potential Bidder delivers all of the materials required of a Competing Bid, and in no event later than two (2) days before the Auction, the Debtors shall determine, in consultation with the Committee, and shall notify each Potential Bidder and the Proposed Purchaser in writing, whether such Potential Bidder is a Qualified Bidder. Notwithstanding the foregoing, Proposed Purchaser shall be deemed a Qualified Bidder for purpose of the Auction. Each Qualified Bidder participating in the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding process or the Sale.
- g. **Bid Deposit.** The Bid Deposit shall be in the form of a wire transfer to the account of the Escrow Agent, pursuant to instructions to be provided upon request. The Bid Deposit, together with any interest earned thereon, shall be returned to any bidder whose Bid is not accepted by the Debtors within three (3) business days of the conclusion of the Sale Hearing, except that in the case of the

party who submits the Alternate Winning Competing Bid (as such term is defined below) the Debtors reserve the right to retain such bidder's Bid Deposit until three (3) business days after the transaction with the Winning Competing Bidder has been consummated. If the entity that makes the Winning Competing Bid (as such term is defined below) fails to consummate the purchase of the Assets, and such failure to consummate the purchase is the result of a breach by the Winning Competing Bidder, such bidder's deposit shall be forfeited to the Debtors and the Debtors specifically reserve the right to seek all available damages from the defaulting offeror.

- h. **Initial Bid of a Qualified Bidder.** An Initial Bid of a Qualified Bidder shall not provide a purchase price that is less than Twenty-Three Million U.S. Dollars (U.S. \$23,000,000) in cash plus an additional amount in cash equal to the cure costs associated with the Assignment of Intangibles, the Assignment of Ground Lease and any other amounts that would be owing with respect to the assumption and assignment of executory contracts or the assumption of additional liabilities paid by the Seller prior to such point in time (collectively, the “**Initial Competing Bid Amount**”).
- i. **Revocation and Alternate Winning Competing Bid.** Competing Bids submitted on or prior to the Bidding Deadline, as same may be modified by a bidder at the Auction, shall remain open and irrevocable until the conclusion of the Sale Hearing and the entry of an order approving or denying a Sale. Acceptance of a Bid shall, in all respects, be subject to entry of an order by the Court that, among other things, authorizes the Debtors to consummate a sale to the Winning Competing Bidder (as defined below). Following the Sale Hearing, if Purchaser or any Winning Competing Bidder (as the case may be) fails to consummate an approved sale because of a breach or failure to perform on its part, the next highest or otherwise best Qualified Bid, as determined at the Auction (the “**Alternate Winning Competing Bid**”), shall be deemed to be the Winning Competing Bid, and the Debtors, in consultation with the Committee, shall be authorized, but not required, to consummate the Sale with the Qualified Bidder submitting such bid (i) without the need for further notice or order of the Court and (ii) without prejudice to the Debtors' right to seek all available damages from the defaulting offeror.
- j. **No Competing Bids.** If no timely, conforming Competing Bids are received by the Bidding Deadline (unless the Debtors have extended such deadline in consultation with the Committee or as otherwise ordered by the Court), then the Auction will not be held, Proposed Purchaser will be deemed the Winning Competing Bidder, and the Debtors shall seek approval of the Proposed PSA at the Sale Hearing.
- k. **Auction.** If one or more Competing Bids (other than the Purchaser's) are received, the Auction will be conducted at the offices of Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, or at another location as may be timely disclosed by the Debtors to Qualified Bidders and the Proposed Purchaser,

commencing on May 16, 2017 at 10:00 a.m. (Central Time) (the “**Auction Date**”) and continuing from time to time, and at such location, as may be timely disclosed by the Debtors to Qualified Bidders and the Proposed Purchaser, until the auction is declared by the Debtors in consultation with the Committee to be concluded. Qualified Bidders, the Stalking Horse Bidder, the Committee, MidCap, the DIP Lender, the U.S. Trustee, and any other party in interest who the Committee and the Debtors have mutually agreed to may attend the Auction. All Qualified Bidders, including the Stalking Horse Bidder, must appear in person at the Auction, or through a duly authorized representative.

- i. **Transcription.** The Auction will be transcribed by a court reporter, or videotaped at the Debtors’ discretion.
- ii. **Highest and Best Bid.** At or prior to the commencement of the Auction, the Debtors will notify all Qualified Bidders, including the Proposed Purchaser, of the then highest and best Qualified Bid received by that time (the “**Highest and Best Bid**”).
- iii. **Subsequent Overbid.** Initial bidding shall begin at the Auction with the Highest and Best Bid. Each subsequent bid (each, a “**Subsequent Overbid**”) must have a purchase price that exceeds the purchase price of the previous highest bid by at least One Hundred Thousand Dollars (U.S. \$100,000). Except as otherwise set forth herein, the Debtors may conduct the Auction in the manner it determines will result in the highest, best or otherwise financially superior offer(s) for the Property. Any such rules must provide that: (A) the procedures will be fair and open, with no participating Qualified Bidder disadvantaged in any material way as compared to any other Qualified Bidder; (B) the true identity of each bidder will be fully disclosed to all other bidders and all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction; and (C) each Qualified Bidder will be permitted a fair, but limited, amount of time to respond to the previous bid at the Auction.
- iv. **Rounds.** Unless otherwise specified by the Debtors, in consultation with the Committee, the Auction will continue in one or more rounds of bidding and shall conclude after each participating bidder has had an opportunity to submit an additional Subsequent Overbid, after being advised of the then-highest bid and the identity of the party making such next highest bid.
- v. **Higher and Better Bids.** In considering every bidder’s bids, the Debtors shall take into account the Break-up Fee and Expense Reimbursement.
- vi. **Additional Terms and/or Conditions.** The Debtors, after consultation with the Committee, further reserve the right to (a) amend and/or impose additional terms and/or conditions at or prior to the Auction that they believe will better promote the goals of the Auction and do not otherwise

conflict with the terms and requirements set forth in the Proposed PSA, (b) extend the deadlines set forth in the Bidding Procedures and/or adjourn the Auction at the Auction and/or the Sale Hearing in open court or on the Bankruptcy Court's calendar on the date scheduled for said hearing without further notice to creditors or parties-in-interest, and (c) to withdraw the Sale Motion at any time prior to the conclusion of the Sale Hearing.

1. **Winning Competing Bid.** The Debtors, in consultation with the Committee, shall (i) review each Qualified Bid or bids (as and to the extent such bids were increased at the Auction) on the basis of financial and contractual terms and the factors relevant to the Sale Process, including those factors affecting the speed and certainty of consummating the Sale, and (ii) identify the highest and otherwise best offer for the Property as the winning competitive bid ("**Winning Competing Bid**") and such entity submitting the Winning Qualified Bid will be the winning competing bidder ("**Winning Competing Bidder**"). Prior to the conclusion of the Auction, the Winning Competing Bidder shall enter into a Purchase and Sale Agreement that conforms with the Winning Competing Bid (the "**Winning Competing Bidder PSA**"). .

25. To the extent that the Proposed Purchaser's bid embodied in the Proposed PSA is not the Winning Competing Bid at the Auction, the Debtors will file with the Court a supplement (the "**Supplement**") that will inform the Court of the results of the Auction and the Winning Competing Bid. The Supplement will identify, among other things, (a) the Winning Competing Bidder, as the proposed purchaser of the Property, (b) the consideration to be paid by such purchaser for the Property, and (c) any executory contracts and unexpired leases to be assumed and assigned to the purchaser in connection with the Sale (to the extent different from the Assignment of Intangibles and Assignment of Ground Lease proposed to be assumed and assigned to the Proposed Purchaser under the Proposed PSA). In addition, the Debtors will attach to the Supplement, as exhibits, (a) any revised proposed order approving the Sale, (b) copies of the Winning Competing Bidder PSA., and (c) information necessary to provide adequate assurance of the Winning Competing Bidder's ability to perform.

26. As promptly as is reasonably practicable prior to the Sale Hearing, the Debtors will file and serve the Supplement on (i) the U.S. Trustee, (ii) counsel to the Committee,
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(iii) counsel to the Proposed Purchaser, (iv) any party who timely submitted a Competing Bid, (v) counsel to MidCap Funding IV Trust; (vi) counsel to the DIP Lender, (vi) any party who has requested notice in the Debtors' Bankruptcy Cases, and (vi) any person who submits a written request therefor to Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender, Esq., (E-mail, david.wender@alston.com; Facsimile: (404) 253-8521).

D. Approval of the Bidding Procedures and the Auction

27. Bankruptcy Rule 6004(f) provides that sales of property outside the ordinary course of business may be by private sale or public auction. The Debtors believe that the Sale of its Property through the Auction, pursuant to the Bidding Procedures, will maximize the sale proceeds received by the estate, which is “[t]he paramount goal in any proposed sale of property of the estate.” *In re Dura Auto. Sys., Inc.*, Case No. 06-11202 (KJC), 2007 Bankr. LEXIS 2764, at *253 (Bankr. D. Del. Aug. 15, 2007).

28. The Bidding Procedures allow the Debtors to conduct the Auction in a controlled, fair, and open manner that will encourage competitive bidding by financially capable bidders, thus increasing the likelihood that the Debtors will receive the highest and best consideration for the Property. Bidding procedures may be approved when they are designed to maximize the value of a debtor's assets and enhance competitive bidding. *Id.* (citing *Calpine Corp. v. O'Brien Env't'l Energy, Inc.*, 181 F.3d 527 (3d Cir. 1999)). The Debtors believe that the proposed Bidding Procedures are appropriate, will maximize the value of the Property, and are consistent with other procedures previously approved by courts in this district. The Debtors therefore request that the Court approve the process and procedures set forth in the Bidding Procedures for the submission and consideration of competing bids for the Debtors' Property.

E. The Sale Hearing and Approval of the Notice of Auction and Sale

29. The Debtors request that the Court schedule the Sale Hearing to consider approval of the Proposed PSA and the Sale, or the approval of any higher and better offer resulting from the Auction at a specially-set hearing to be held beginning on May 18, 2017 at 2:00 p.m., and continuing, if necessary, on May 19, 2017 at 9:00 a.m., and approve the Debtors' scheduling of the Auction for May 16, 2017. Bankruptcy Rule 6004(a) provides that "[n]otice of a proposed use, sale, or lease of property, other than cash collateral, not in the ordinary course of business shall be given pursuant to Rule 2002(a)(2), (c)(1), (i), and (k), and if applicable, in accordance with Section 363(b)(2) of the Code." Bankruptcy Rule 2002(a)(2) requires that a debtor provide parties in interest at least twenty-one (21) days' notice by mail of a sale of property outside the ordinary course of business. Bankruptcy Rule 6004(b) further provides that objections to a sale outside the ordinary course of business be filed and served not less than seven (7) days prior to any related auction or within the time fixed by the court.

30. The Notice of Auction and Sale contains the type of information required under Bankruptcy Rule 2002(c), and also includes information regarding the Auction procedures to the extent a higher or better offer other than the Proposed PSA is obtained and the Auction takes place. The Debtors therefore request that this Court approve the form and content of the Notice of Auction and Sale.

31. The Debtors' proposed schedule provides at least twenty-one (21) days' notice of the Sale Hearing, which complies with the Bankruptcy Rules. The Debtors propose to provide notice as follows: the Debtors shall cause to be served, within five (5) business days after entry of the Bidding Procedures Order (the "**Mailing Deadline**"), by regular mail, overnight courier, electronic mail, or same-day messenger delivery, copies of the Notice of Auction and Sale upon:

(i) the U.S. Trustee, (ii) counsel to the Committee, (iii) counsel to the Proposed Purchaser, (iv) counsel to MidCap Funding IV Trust; (v) counsel to the DIP Lender, (vi) any party who has requested notice in the Debtors' Bankruptcy Cases, (vii) any person who has submitted a written request therefor, and (viii) any party who, in the past twelve (12) months, expressed in writing to the Debtors or SOLIC an interest in acquiring the Property and who the Debtors and SOLIC reasonably and in good faith determine potentially have the desire and financial wherewithal to effectuate the Sale.

32. The Debtors submit that such notice shall constitute good and sufficient notice of the Auction and Sale of the Debtors Property and that no other or further notice need be given and therefore request that the Court approve the Notice of Auction and Sale and the manner of the service and notice related thereto.

F. Assumption and Assignment of Contracts

33. To facilitate the Sale and the assumption and assignment of the contracts assumed under the Proposed PSA (the "**Assumed Contracts**"), the Debtors will serve a notice of intent to assume and assign the contracts (the "**Assumption and Assignment Notice**") on all non-debtor parties to the Assumed Contracts according to the following procedures:

- a. On or before the Mailing Deadline, the Debtors shall cause to be served, by regular mail, overnight courier, electronic mail, or same-day messenger delivery, the Assumption and Assignment Notice substantially in the form attached to the Bidding Procedures Order as Exhibit 3, upon all known non-debtor parties to the Assumed Contracts. The Assumption and Assignment Notice shall set forth (i) the intent of the Debtors to assume the Assumed Contracts and assign them to the Proposed Purchaser or the Winning Competing Bidder, as applicable, and (ii) applicable cure amounts (the "**Cure Amounts**"), if any. The Assumption and Assignment Notice shall identify the Assumed Contracts and the Cure Amounts that the Debtors believe must be paid to cure all defaults under the Assumed Contracts.
- b. Bankruptcy Rule 6006(a) provides that "[a] proceeding to assume, reject, or assign an executory contract or unexpired lease other than as a part of a plan, is governed by Rule 9014." Any objections to (i) the assumption and

assignment of an Assumed Contract, or (ii) the amount asserted as the Cure Amount (each, an “**Assumption and/or Cure Objection**”) must be in writing and set forth with specificity the nature of the objection and/or the cure amount that the objecting party believes should be paid in connection with the assumption of the Assumed Contract (the “**Claimed Cure Amount**”).

- c. If an Assumption and/or Cure Objection is timely filed, the Debtors request that a hearing with respect to that objection shall be held before the Court at the Sale Hearing. If, however, an Assumption and/or Cure Objection is not timely filed and served, the assumption and assignment of the applicable Assumed Contract will proceed without further notice. The Debtors also request that parties who fail to file and serve timely Assumption and/or Cure Objections shall be deemed to have waived and released any and all rights to assert Cure Amounts differing from those listed on the exhibit to the Assumption and Assignment Notice and, subject to payment of the Cure Amount on such Assumed Contract, shall be forever barred and estopped from asserting or claiming against the Debtors, the Proposed Purchaser, or Winning Competing Bidder, as applicable, that any additional amounts are due or defaults exist, or prohibitions or conditions to assignment exist or must be satisfied under the Assumed Contract.
- d. If no Cure Amounts are due under the Assumed Contract and the non-debtor party to the Assumed Contract does not otherwise object to the Debtors’ assumption and assignment of the Assumed Contract, no further action need be taken on the part of that non-debtor party. The Debtors also request that Assumption and/or Cure Objections that object solely to the Cure Amount may not prevent or delay the Debtors’ assumption and assignment of any Assumed Contract. If a party objects solely to a Cure Amount, the Debtors may, in their discretion, hold the Claimed Cure Amount in reserve pending further order of the Court or mutual agreement of the parties. So long as the Debtors hold the Claimed Cure Amount in reserve, and there are no other unresolved objections to assumption and assignment, the Debtors can, without further delay, assume and assign the Assumed Contract that is the subject of the objection and the objecting party’s recourse shall be limited to the funds held in reserve.

34. The Debtors submit that the aforementioned procedures provide sufficient notice to non-debtor parties to the Assumed Contracts and should be approved.

G. The Objection Deadline

35. The Debtors request that, pursuant to Bankruptcy Rule 9014, objections, if any, to the Sale (a “**Sale Objection**”) or an Assumption and/or Cure Objection (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) be filed with the Clerk of the

Bankruptcy Court for the Eastern District of Louisiana, 500 Poydras Street, Suite B-601, New Orleans, LA 70130, on or before May 17, 2017, at 11:00 a.m. (Central Time) (the “**Objection Deadline**”), or on such later date and time as the Debtors may agree, and (iv) with a copy served on (a) counsel to the Debtors, Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender; (b) local counsel to the Debtors, Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, attn.: Lisa Futrell; (c) counsel to the Proposed Purchaser, Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq.; (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; (g) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews; and (h) all parties that have requested notice.

36. In the event the Debtors file a Supplement following the Auction proposing to sell the Property to a Winning Competing Bidder, any objections to the transactions disclosed in the Supplement, including the assumption and assignment of contracts or cure amounts in connection therewith, shall be filed and served in accordance with the procedures set forth above no less than one business day prior to the Sale Hearing.

I. BASIS FOR RELIEF

A. **Approval of the Sale is Warranted under Sections 363(b) and 105(a) of the Bankruptcy Code**

37. Section 363(b) of the Bankruptcy Code provides that “the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1); 11 U.S.C. § 1107(a) (providing that debtors in possession have “all the rights...of a trustee”). In addition, Section 105(a) provides the authority for this Court to carry out the provisions of Section 363(b). *See* 11 U.S.C. § 105(a) (“The Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”) Although Section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale or lease of property of the estate, bankruptcy courts routinely authorize sales of a debtor’s assets if the sale is based upon the sound business judgment of the debtor. *See Dura Auto. Sys., Inc.*, 2007 Bankr. LEXIS 2764, at *258 (citing *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996)); *Comm. Of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Abbotts Dairies of Penn., Inc.*, 788 F.2d 143 (3d Cir. 1986) (implicitly adopting the “sound business judgment” test of *Lionel Corp.* and requiring good faith); *In re Del. and Hudson Ry. Co.*, 124 B.R. 169 (D. Del. 1991) (concluding that the Third Circuit adopted the “sound business judgment” test in the *Abbotts Dairies* decision); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (same).

38. The sound business judgment standard also carries over to sales of all or substantially all of a debtor’s assets. *see ASARCO, L.L.C. v. Elliott Mgt. (In re ASARCO, L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011); *Licensing By Paolo, Inc. v. Sinatra (In re Gucci)*, 126 F.3d 380, 387 (2d Cir. 1997) (“A sale of a substantial part of a Chapter 11 estate may be conducted if a

good business reason exists to support it.”); *Comm. of Equity Security Holders v. Lionel Corp.* (In re *Lionel Corp.*), 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992); *Stephens Indus. v. McClung*, 789 F.2d 386, 390 (6th Cir. 1986) (“bankruptcy court can authorize a sale of all a Chapter 11 debtor’s assets under [Section] 363 (b)(1) when a sound business purpose dictates such action.”); *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp.* (In re *Johns-Manville Corp.*), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct.”).

39. When a valid business judgment exists, the law vests the debtor’s decision to sell assets with a strong presumption that “in making a business decision, the directors of a corporation acted on an informed basis, in good faith, and in honest belief that the action taken was in the best interests of the company.” *Dura Auto. Sys., Inc.*, 2007 Bankr. LEXIS 2764, at *260 (citing *The Official Comm. Of Subordinated Bondholders v. Integrated Res., Inc.* (In re *Integrated Res., Inc.*), 147 B.R. 650, 656 (S.D.N.Y. 1992)). Once a court is satisfied there is a sound business judgment for the proposed sale, the court must then determine whether (i) the debtor in possession has provided the interested parties with adequate and reasonable notice (ii) the sale price is fair and reasonable, and (iii) the purchaser is proceeding in good faith. *See, e.g., Del. and Hudson Ry. Co.*, 124 B.R. at 166.

40. The Debtors submit that the decision to sell the Property is based upon their sound business judgment, including the judgment of the Debtors’ Chief Restructuring Officer, is in the best interest of their estates and their stakeholders, and should be approved. Prior to and since the commencement of their bankruptcy cases, the Debtors have worked diligently with SOLIC to

explore alternatives to sell certain of its business assets in a manner that would provide value to their estates and relieve the Debtors of ongoing operational expenses, or to reorganize on a stand-alone basis. The Debtors will be providing adequate and reasonable notice to affected parties of the Auction of the Debtor's Property, and of the opportunity to object to the Sale of that Property. *See, e.g., Folger Adam Security Inc. v. DeMatteis/MacGregor*, 209 F.3d 252, 265 (3d Cir. 2000) (stating that notice is sufficient if it includes "the time and place of any public sale, the terms and conditions of any private sale, states the time for filing objections and, if real estate is being sold, provides a general description of the property"); *In re WBQ Partnership*, 189 B.R. 97, 103 (Bankr. E.D. Va. 1995) ("notice is sufficient if it includes the terms and conditions of the sale, if it states the time for filing objections, and if the estate is selling real estate, it generally describes the property") (quoting *In re Karpe*, 84 B.R. 926, 929 (Bankr. M.D. Pa. 1988)). Furthermore, the Debtors believe that the Marketing Process, arms' length negotiations with the Proposed Purchaser, and the proposed Bidding Procedures will, based on its marketing efforts to date, achieve the best results for their estates and will maximize value for all stakeholders. The Bidding Procedures contemplate an open auction process and are designed to ensure that the ultimate purchase price of the Debtors' Property is fair and reasonable. If, however, no timely, confirming Competing Bids are received other than the Proposed PSA, the Debtors believe that the prompt sale of the Debtors' Property to the Proposed Purchaser without an Auction and without further delay presents the best opportunity to maximize and preserve value for their estate. Courts generally conclude that parties have acted in good faith with respect to a proposed sale if the purchase price is adequate and reasonable and the terms of the sale are disclosed fully. *See, e.g., In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 149-50 (3d Cir. 1986).

41. The Debtors submit that the proposed Sale of their Property is reasonably and appropriate in light of the facts and circumstances of this Chapter 11 case. As discussed above, the Debtors will provide reasonably notice of the Sale to all affected parties, and have acted in good faith in setting forth the Proposed Bidding Procedures, which disclose the terms of the sale. Accordingly, the proposed Sale should be approved as a sound exercise of the Debtors' business judgment.

B. The Sale of the Property Free and Clear of Liens or Interests is Warranted

42. Under Section 363(f) of the Bankruptcy Code, a debtor in possession may sell property "free and clear of any interest in such property of an entity other than the estate" if any of the following conditions are satisfied:

1. applicable nonbankruptcy law permits sale of such property free and clear of such interest;
2. such entity consents;
3. such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
4. such interest is in bona fide dispute; or
5. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

43. A debtor need only satisfy one of the requirements set forth in 11 U.S.C. § 363(f) to justify approval of a sale free and clear of liens and interests. *In re Riverbend Marine, L.L.C.*, No. 13-10014, 2013 WL 625320, at *3 (Bankr. E.D. La. Feb. 20, 2013) ("The Trustee may sell the Vessel free and clear of all liens, claims, interests or encumbrances, with all such liens, claims, interest or encumbrances attaching to the proceeds from the Sale, because, with respect

to each creditor asserting liens, claims, interests or encumbrances, one or more of the standards set forth in Section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied.”); *In re Nature Leisure Times, LLC*, No. 06-41357, 2007 WL 4554276, at *3 (Bankr. E.D. Tex. Dec. 19, 2007) (“The language of § 363(f) is in the disjunctive such that a sale free and clear of an interest can be approved if any one of the aforementioned conditions contained in § 363(f) are satisfied.”); *Mich. Employment Security Comm’n v. Wolverine Radio Co. (In re Wolverine Radio Co.)*, 930 F.2d 1132, 1147 n.24 (6th Cir. 1991) (“ . . . the language of section 363(f) is disjunctive and the sale free and clear of the interest concerned can occur if any one of the conditions of section 363(f) have been met”) (internal citation omitted); *see also In re Sumner Regional Health Sys., Inc.*, 2010 WL 2521081, *2 (Bankr. M.D. Tenn.) (same).

44. The Debtors believe that one or more of the tests of Section 363(f) of the Bankruptcy Code are satisfied with respect to the Sale of the Property. The Debtors believe that the rights of unknown claimants against the Property could be valued and allowed as a claim against the Debtors’ estates, and thus the claimant could be compelled to accept a money satisfaction of its interest in property, thus satisfying Section 363(f)(5). *See In re Trans World Airlines, Inc.*, 322 F.3d 283, 289, 291 (3d Cir. 2003) (holding that Section 363(f)(5) was satisfied in respect of successor liability claims because if the debtor’s assets had been liquidated under Chapter 7 of the Bankruptcy Code, the claims at issue would have been converted to dollar amounts and the claimants would have received the distribution provided to other general unsecured creditors on account of their claims).

C. Assumption and Assignment of Executory Contracts is Warranted

45. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts, subject to court approval, provided the defaults under such contracts are

cured and adequate assurance of future performance is provided. 11 U.S.C. § 365. The standard applied by the Fifth Circuit in determining whether an executory contract may be assumed is the debtor's business judgment. *See In re Liljeberg Enterprises, Inc.*, 304 F.3d 410, 438 (5th Cir. 2002) (citing *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) for the proposition that the assumption of a contract, grounded in the conclusion that the contract is beneficial to the estate, "represent[s] a proper exercise of business judgment"); *In re Nat'l Gypsum Co.*, 208 F.3d 498, 505 (5th Cir. 2000) quoting favorably *In re MMR Holding Corp.*, 203 B.R. 605, 612 (Bankr. M.D. La. 1996) ("[T]he act of assumption must be grounded, at least in part, in the conclusion that maintenance of the contract is more beneficial to the estate than doing without the other party's services"); see also *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989); *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984) (describing the business judgment test as "traditional").

46. To facilitate and effect the Sale of the Debtors' Property, the Proposed Purchaser has agreed to take assignment of the Assumed Contracts. The Debtors believe that they can demonstrate at the Sale Hearing that all of the requirements for the assumption and assignment of the Assumed Contracts will have been satisfied. The Debtors have evaluated the financial wherewithal of the Purchaser, and will evaluate the financial wherewithal of any Potential Bidder, and, in exercising its sound business judgment, believes that selling the Property and assuming and assigning the Assumed Contracts is in the best interest of their estates. Moreover, as noted above, each non-debtor party to an Assumed Contract will receive notice of the proposed assumption and assignment, and the proposed cure amount, and have a reasonable opportunity to object thereto.

D. A Good Faith Finding is Warranted

47. Section 363(m) of the Bankruptcy Code provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m). The Debtors have fully disclosed and requested the Court's approval of all of the terms and conditions of the proposed Sale and intends to provide notice as directed by the Court. *See generally In re Colony Hill Associates*, 111 F.3d 269 (2nd Cir. 1997) (stating that determination of "in good faith" is based upon traditional equitable principles, including whether there has been full disclosure to the bankruptcy court). Further, the Proposed Purchaser is an entity unrelated to the Debtors, the Proposed PSA was intensely negotiated at arms' length with all parties involved acting in good faith, and each represented by separate and sophisticated counsel. The Debtors are unaware of any facts or circumstances that might compromise or taint the Proposed Purchaser's good faith in negotiating and entering into the Proposed PSA. The Debtors submit that (i) they have acted in good faith, (ii) the Proposed Purchaser is entitled to the protections of a good faith purchaser under Section 363(m) of the Bankruptcy Code and (iii) should the Potential Bidders comply with the Bidding Procedures, including the obligation to confirm that they did not engage in any collusion with respect to the bidding process or the Sale, they should be entitled to the protections of a good faith purchaser under Section 363(m) of the Bankruptcy Code.

E. The Break-up Fee is Reasonable and Appropriate

48. Bidding incentives, such as the Break-up Fee and Expense Reimbursement, encourage a potential purchaser to invest the requisite time, money, and effort to negotiate with a

debtor and perform the necessary due diligence attendant to the acquisition of a debtor's assets, despite the inherent risks and uncertainties of the Chapter 11 process. "Agreements to provide breakup fees or reimbursement of expenses are meant to compensate the potential acquirer who serves as a catalyst or 'stalking horse' which attracts more favorable offers." *In re S.N.A. Nut Co.*, 186 B.R. 98, 101 (Bankr. N.D. Ill. 1995); *Integrated Res., Inc.*, 147 B.R. at 650 (such fees are "important tools to encourage bidding and to maximize the value of the debtor's assets.").

49. A proposed bidding incentive, such as the Break-up Fee and the Expense Reimbursement, should be approved when it is in the best interest of the estate. *See S.N.A. Nut Co.*, 186 B.R. at 104; *In re America West Airlines, Inc.*, 166 B.R. 908 (Bankr. D. Ariz. 1994); *In re Hupp Indus., Inc.*, 140 B.R. 191 (Bankr. N.D. Ohio 1992). Typically, this requires that the bidding incentive provide some benefit to the debtor's estate and, in this Circuit, that benefit must meet the administrative expense standards of the Bankruptcy Code. *See Calpine Corp. v. O'Brien Env't'l Energy, Inc.*, 181 F.3d at 533 (holding that while bidding incentives are measured against a business judgment standard in a non-bankruptcy context, the administrative expense provisions of Section 503(b) of the Bankruptcy Code governs in a bankruptcy context); *see also In re Reliant Energy Channelview LP*, 2010 U.S. App. LEXIS 956, at *19-20 (following *Calpine Corp. v. O'Brien Env't'l Energy, Inc.*, and holding that a break-up fee was not an actual and necessary administrative expense when the stalking horse bid was not expressly conditioned upon the approval of the break-up fee).

50. Here, the Break-up Fee will be paid only if there is a Compensable Termination Event. In the event the Debtors receive qualifying Competing Bids and a Winning Competing Bidder prevails at the Auction, given the requirements for Competing Bids, the Debtors will

effectively net no less than \$510,000, thus benefiting from the floor set by the Proposed Purchaser's initial bid.

51. Break-up fees are appropriate when they encourage – instead of stifle – bidding. *Integrated Res., Inc.*, 147 B.R. at 660. As is customary, the Break-up Fee was required by the Proposed Purchaser as a condition to its spending the significant time and expense to negotiate and ultimately agree to the Proposed PSA. The Debtors believe that the Break-up Fee and the Expense Reimbursement will not stifle bidding and, to the contrary, will encourage bidding by serving to (1) attract or retain a potential successful bid, (2) establish a bid standard for others to follow, and/or (3) to attract additional bidders. *See id.* at 662.

52. “[A] break-up fee should constitute a fair and reasonable percentage of the proposed Purchase Price, and should be reasonably related to the risk, effort, and expenses of the prospective purchaser. When reasonable in relation to the bidder’s efforts and to the magnitude of the transaction, break-up fees are generally permissible.” *Id.* The Break-up Fee is equal to 2.0% of the Purchase Price, plus the expense reimbursement capped at \$50,000, making the maximum aggregate Break-up Fee and expense reimbursement equal to 2.2% of the Purchase Price, which is within the range of fees typically paid in other significant sale transactions approved by bankruptcy courts. *See, e.g., In re Tesla Offshore, LLC*, Case No. 16-140867 (DDD) Bankr. M.D. La. November 24 2016 (approving a 3% breakup fee on a purchase price of \$25 million); *In re HHL Fin. Servs. Inc.*, No. 97-398 (SLR) (D. Del., March 31, 1997) (approving 5.5% to 5.9% break-up fees); *In re Am. White Cross, Inc.*, No. 96-1109 (PJW) (Bankr. D. Del., March 31, 1997) (approving up to 5.8% break-up fee); *In re Mid-Am. Waste Sys., Inc.*, No. 97-0104 (PJW) (Bankr. D. Del. Jan. 1997) (3.3% fee approved); *In re Simmons Upholstered Furniture, Inc.*, Case No. 94-635 (HSB) (Bankr. D. Del., Aug, 10, 1995) (approving

4.64% fee); *In re Smith Corona Corp.*, No. 95-788 (HSB) (Bankr. D. Del., Nov. 1995) (approving 3.9% fee); *In re Edison Bros. Stores, Inc.*, No. 95-1354 (Bankr. D. Del., Dec. 29, 1995) (approving break-up fees up to 3.5%). Given the Purchase Price, the Debtors, in their business judgment, believe that the Break-up Fee and Expense Reimbursement are appropriate.

53. For these reasons, and because of the benefits conferred upon the Debtors' estates by the Proposed Purchaser in entering into the Proposed PSA, the Debtors respectfully request that the Court approve the payment of the Break-up Fee and Expense Reimbursement as an administrative expense of the Debtors and their estates under Sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code.

F. Relief from the Fourteen Day Stay is Warranted

54. The Debtors request that the Court waive the fourteen-day stay period under Bankruptcy Rule 6004(h) and order that, if and when entered, the Sale Order be effective immediately. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen days after entry of the order, unless the court orders otherwise." The purpose of this rule is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Bankruptcy Rule 6004(h). Although this rule and the Advisory Committee Note are silent as to when a court should "order otherwise," it has been suggested that the stay period should be waived to allow a transaction to close immediately when there has been no objection to procedure. 10 *Collier on Bankruptcy* 15th Ed. Rev. ¶ 6004.10 (2006). Well in advance of the Sale Hearing, the Debtors will have provided notice of the Sale and the Objection Deadline will have passed. Accordingly, the Debtors submit that a waiver of the fourteen day stay is appropriate under Bankruptcy Rule 6004(h).

II. NOTICE

55. The Debtors have served notice of this Motion on (i) counsel to the Proposed Purchaser, Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq.; (ii) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: Tristan E. Manthey, (iii) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (iv) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; (v) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews; and (vi) all parties that have requested notice. The Debtors submit that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully requests that the Court (i) enter the proposed Bidding Procedures Order, (ii) upon the completion of the Sale Hearing, enter the proposed Sale Order, and (iii) grant such other and further relief as is just and proper.

DATED: March 20, 2017

JONES WALKER LLP

/s/Elizabeth J. Futrell
Elizabeth J. Futrell (LA Bar No. 05863)
201 St. Charles Avenue, Suite 5100
New Orleans, Louisiana 70170-5100
Telephone: (504) 582-8260
Facsimile: (504) 589-8260

-and-

ALSTON & BIRD LLP

Grant T. Stein (admitted *pro hac vice*)
David A. Wender (admitted *pro hac vice*)
Sage M. Sigler (admitted *pro hac vice*)
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Telephone: (404) 881-7000
Facsimile: (404) 881-7777

Attorneys for the Debtors

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

In re) Chapter 11
)
LMCHH PCP LLC, *et al.*,¹) Case No. 17-10353
)
) Section “B”
Debtors.)
) Jointly Administered with
) Case No. 17-10354

**ORDER (I) APPROVING SALE PROCEDURES AND BIDDING PROTECTIONS
TO BE EMPLOYED IN CONNECTION WITH THE PROPOSED SALE OF
THE DEBTORS’ ASSETS, (II) SCHEDULING AN AUCTION AND
HEARING TO CONSIDER APPROVAL OF THE SALE OF DEBTORS’
ASSETS, AND (III) APPROVING NOTICE OF RESPECTIVE DATES,
TIMES, AND PLACES FOR AUCTION AND FOR HEARING ON
APPROVAL OF SALE OF ASSETS AND OTHER RELATED RELIEF**

LMCHH PCP LLC, a Delaware limited liability company, and Louisiana Medical Center and Heart Hospital, LLC, a North Carolina limited liability company (together, the “**Debtors**”),² having requested by motion (the “**Motion**”)³ an order (I) approving the sale procedures and bidding protections (collectively, the “**Bidding Procedures**”) to be employed in connection with the proposed sale (the “**Sale**”) of substantially all of the Debtors’ assets (the “**Property**”) pursuant to Section 363 of the United States Bankruptcy Code, (II) scheduling an auction (the “**Auction**”) and hearing (the “**Sale Hearing**”) to consider approval of the Sale of the Assets to by

¹ The last four digits of the taxpayer identification numbers for each of the Debtors follow in parenthesis: (i) LMCHH PCP LLC (8569); and (ii) Louisiana Medical Center and Heart Hospital, LLC (7298). The mailing address for both of the Debtors is 64030 Highway 434, Lacombe, LA 70445.

² Capitalized words not defined herein shall have the meaning given to them in the Proposed PSA (defined below). To the extent there are any inconsistencies between this summary description and the Proposed PSA, the terms of the Proposed PSA shall control.

³ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion or the Bidding Procedures (as defined herein), as applicable.

Stirling Medical Lacombe, L.L.C. (the “**Stalking Horse**”), or such other purchaser(s) providing a higher or otherwise better offer for any or all of the Debtors’ Property at the Auction; and (III) approving notice of the respective dates, times, and places for the Auction and Sale Hearing (the relief requested in such items (I) through (III) is collectively referred to herein as the “**Initial Relief**”); and the Court having conducted a hearing (the “**Bidding Procedures Hearing**”) on April 13, 2017, to consider the Initial Relief; and Debtors, as seller, and the Stalking Horse, as purchaser, having entered into that certain Purchase and Sale Agreement (the “**Proposed PSA**”), dated as of March 14, 2017, pursuant to which the Stalking Horse would acquire the Property, subject to higher or otherwise better offers and the approval of this Court, including the Bidding Procedures substantially in the form attached hereto as Exhibit 1; and upon the record of the Bidding Procedures Hearing; and having resolved any and all objections presented at the Bidding Procedures Hearing; and it appearing that good and sufficient cause exists to have conducted the Bidding Procedures Hearing and to approve the Initial Relief; and adequate notice of the Motion having been given; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. The Debtors have articulated good and sufficient reasons for approving the Bidding Procedures and the Notice of Auction and Sale and Notice of Assumption and Assignment, in connection with the Sale of the Assets.

C. The Bidding Procedures are reasonable and appropriate and are designed to maximize the recovery on the Property.

D. The Notice of Auction and Sale and the Notice of Assumption and Assignment, substantially in the forms attached hereto as Exhibit 2 and Exhibit 3, respectively, provide due, adequate, and timely notice of the Auction, the Sale, and the other transactions (collectively, the “**Transactions**”), in accordance with Bankruptcy Rule 2002 and the applicable provisions of the Bankruptcy Code.

E. The scope of the notice of the Auction, the Sale, and all the other Transactions proposed to be provided by the Debtors in the Motion and the Bidding Procedures constitutes due, sufficient, and adequate notice to all parties in interest of the Auction, the Sale, and all the other Transactions.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent of the Initial Relief, as modified by this Order.
2. All unresolved objections to the Initial Relief, if any, are overruled in their entirety.
3. The Debtors shall conduct the Auction in accordance with the Bidding Procedures, which procedures are hereby approved in their entirety.
4. The Debtors are authorized and directed to cause the Notice of Auction and Sale to be served, no later than five (5) business days following the entry of this Order (the “**Mailing Deadline**”), by regular mail, overnight courier, electronic mail, or same-day messenger delivery, copies of the Notice of Auction and Sale upon: (i) the U.S. Trustee, (ii) counsel to the Committee, (iii) counsel to the Stalking Horse, (iv) counsel to MidCap Funding IV Trust; (v) counsel to the DIP Lender, (vi) any party who has requested notice in the Debtors’ Bankruptcy Cases, (vii) any person who has submitted a written request therefor, and (viii) any party who, in the past twelve (12) months, expressed in writing to the Debtors or SOLIC an

interest in acquiring the Property and who the Debtors and SOLIC reasonably and in good faith determine potentially have the desire and financial wherewithal to effectuate the Sale. Such service shall be deemed due, timely, good, and sufficient notice of the entry of this Order, the Auction, the Motion, the Sale Hearing and the Bidding Procedures, and all of the Transactions, and all proceedings to be held thereon.

5. The Debtors are authorized, but not required, to publish an abbreviated version of the Notice of Auction and Sale one or more times prior to the Auction in an appropriate publication or publications to be determined by Debtors, if they decide, in consultation with counsel to the Committee, that such publication is in the best interest of their estates.

6. Bids for the acquisition of the Property must be in writing, comply with the terms and conditions set forth in the Bidding Procedures, and be received by: (a) SOLIC Capital Advisors, ATTN: Greg Hagood 3284 Northside Parkway, Suite 450 |Atlanta, Georgia 30327 (b) Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender, Esq., (c) Stirling Medical Lacombe, L.L.C. Attn: Townsend Underhill, 109 Northpark Blvd., Suite 300, Covington, Louisiana 70433, with a copy to Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq., (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William F. Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; and (g) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews, a Competing

Bid (defined below) such that the Competing Bid is received no later than 4:00 pm prevailing Central Time on May 11, 2017 (the “**Bidding Deadline**”)

7. The Debtors, in consultation with counsel to the Committee, and, in the event of a dispute, as determined by the Court, shall have the right to reject any and all Competing Bids (other than that of the Stalking Horse bid set forth in the Proposed PSA, subject to the terms and conditions thereof) or to determine that any Competing Bid is a Qualified Bid, at their discretion in the exercise of their business judgment.

8. The Breakup Fee and Expense Reimbursement provisions in the Proposed PSA in favor of the Stalking Horse, are hereby approved as set forth in this Order, as are the provisions of the APA addressing the Bidding Procedures, but no other term of the Proposed PSA is approved by this Order. Notwithstanding anything set forth in the Motion, the Proposed PSA or the Bidding Procedures, subject to the satisfaction of the terms of the Proposed PSA with respect thereto, the Stalking Horse is allowed a combined Breakup Fee and Expense Reimbursement of \$490,000, of which the Expense Reimbursement is capped at \$50,000.

9. If, in addition to the bid of the Stalking Horse as embodied in the Proposed PSA, one or more Qualified Bids are received by the Bidding Deadline, the Auction will be conducted at the offices of Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, or at another location as may be timely disclosed by the Debtors to Qualified Bidders and the Stalking Horse, commencing on May 18, 2017 at 2:00 p.m. (Central Time) (the “**Auction Date**”). All Qualified Bidders must appear in person at the Auction, or through a duly authorized representative. Each Qualified Bidder participating in the Auction and the Stalking Horse shall confirm that it has not engaged in any collusion with respect to the bidding process or the Sale. Additionally, the Auction shall be conducted openly and transcribed by a court reporter or

videotaped at the Debtors' discretion, and all creditors shall be permitted to attend. Notwithstanding anything contained in the Motion, the Proposed PSA or the Bidding Procedures, the Initial Competing Bid Amount shall be no less than \$23,000,000. Subsequent overbid increments shall be a minimum of \$100,000 more than the previous bid.

10. If, however, the only bid received by the Bidding Deadline (unless the Debtors, after consultation with the Committee or as otherwise ordered by the Court, have extended such deadline in accordance with the terms of the Bidding Procedures) is the bid embodied in the Proposed PSA, then the Auction will not be held, and the Debtors will be authorized to seek approval of the Proposed PSA at the Sale Hearing.

11. The Debtors shall file with this Court a supplement (the "**Supplement**") setting forth the results of the Auction and the Winning Competing Bid and the Alternate Winning Competing Bid (if any). The Supplement shall identify, among other things, (a) the proposed purchaser(s) of the Property and (b) the consideration to be paid by such purchaser(s) for the Property. In addition, the Debtors will attach to the Supplement, as exhibits, (a) any proposed order approving the Sale and (b) copies of the agreement(s) entered into by the Debtors and the Winning Competing Bidder(s). The Debtors will file the Supplement as promptly as is reasonably practicable prior to the Sale Hearing.

12. The Debtors have the right, in consultation with counsel to the Committee, to (a) amend and/or impose additional terms and/or conditions at or prior to the Auction that they believe will better promote the goals of the Auction, so long as such modifications, amendments or waivers do not otherwise conflict with the terms and requirements set forth in the Proposed PSA, (b) extend the deadlines set forth in the Bidding Procedures for one or more Qualified Bidders, (c) adjourn, extend, or cancel the Auction and/or the Sale Hearing in open court or on

the Court's calendar on the date scheduled for said hearing without further notice to creditors or parties in interest, and/or (d) withdraw the Sale Motion at any time prior to the Sale Hearing.

13. Competing Bids submitted on or prior to the Bidding Deadline as modified by a Bidder at the Auction shall remain open and irrevocable until the conclusion of the Sale Hearing and entry of an order approving or denying a Sale, provided, however, that the Winning Competing Bid and the Alternate Winning Competing Bid shall be deemed to remain open and irrevocable until the closing of a transaction or further order of the Court (except as otherwise may be set forth in the Proposed PSA with respect to the Stalking Horse). Acceptance of a Qualified Bid as the Winning Competing Bid shall, in all respects, be subject to entry of an order by this Court that, among other things, authorizes the Debtors to close a sale to the Winning Competing Bidder. Following the Sale Hearing, if any Winning Competing Bidder fails to close an approved sale because of a breach or failure to perform on its part, the applicable Alternate Winning Competing Bid shall be deemed to be the Winning Competing Bid, and the Debtors, after consultation with the Committee, shall be authorized, but not required, to close the Sale with the bidder submitting such bid (i) without the need for further notice or order of the Court and (ii) without prejudice to Debtors' right to seek all available damages from the defaulting offeror.

14. The Sale Hearing shall be held at the United States Bankruptcy Court for the Eastern District of Louisiana, 500 Poydras Street, Suite B-601, New Orleans, LA 70130, and beginning on **May 18, 2017 at 2:00 p.m.** The hearing will continue, if necessary, on **May 19, 2017 at 9:00 a.m.**

15. Except as otherwise set forth herein, objections, if any, to the remaining relief sought in the Motion must be in writing, stating with particularity the grounds for such objection

or other statements of positions, and filed and served so as to be actually received by (a) counsel to the Debtors, Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender; (b) local counsel to the Debtors, Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, attn.: Lisa Futrell; (c) counsel to the Stalking Horse, Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq.; (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William F. Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; (g) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews; and (h) all parties that have requested notice (the “**Notice Parties**”); by **11:00 a.m.** (Central Time) on **May 17, 2017** (the “**Objection Deadline**”).

16. On or before five (5) business days after entry of this Order, the Debtors shall cause to be served, by regular mail, overnight courier, electronic mail, or same-day messenger delivery, the Notice of Assumption and Assignment substantially in the form attached hereto as Exhibit 3, upon all known non-debtor parties to the Assumed Contracts. The Notice of Assumption and Assignment shall set forth (i) the intent of the Debtors to assume the Assumed Contracts and assign them to the Stalking Horse or the Winning Competing Bidder, as applicable, and (ii) applicable cure amounts (the “**Cure Amounts**”), if any. The Notice of Assumption and Assignment Notice shall identify the Assumed Contracts and the Cure Amounts that the Debtors believe must be paid to cure all defaults under the Assumed Contracts.

17. Any objections to (i) the assumption and assignment of an Assumed Contract, or (ii) the amount asserted as the Cure Amount (each, an “**Assumption and/or Cure Objection**”) must be in writing and set forth with specificity the nature of the objection and/or the cure amount that the objecting party believes should be paid in connection with the assumption of the Assumed Contract (the “**Claimed Cure Amount**”), must be filed by the Objection Deadline and served upon the Notice Parties so as to be actually received by the Notice Parties by the Objection Deadline. Any such Assumption and/or Cure Objections timely filed and served shall be heard at the Sale Hearing.

18. If an Assumption and/or Cure Objection is not timely filed and served as set forth above, the assumption and assignment of the applicable Assumed Contract will proceed without further notice. Parties that fail to file and serve a timely Assumption and/or Cure Objection shall be deemed to have waived and released any and all rights to assert Cure Amounts differing from those listed on the exhibit to the Notice of Assumption and Assignment and, subject to payment of the Cure Amount on such Assumed Contract, shall be forever barred and estopped from asserting or claiming against the Debtors and the Stalking Horse Bidder (or Winning Competing Bidder, as applicable), that any additional amounts are due or defaults exist, or prohibitions or conditions to assignment exist or must be satisfied under the Assumed Contract.

19. All discretionary decisions of the Debtors in connection with the Auction or the sale contemplated hereby, including decisions pursuant to the Proposed PSA, shall be made in consultation with counsel for the Committee.

20. This Order shall become effective immediately upon its entry notwithstanding Bankruptcy Rule 6004(h).

21. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

New Orleans, Louisiana, this ____ day of March, 2017.

Hon. Jerry A. Brown
U.S. BANKRUPTCY JUDGE

EXHIBIT 1

BIDDING PROCEDURES

The following procedures (collectively, the “**Bidding Procedures**”)¹ shall govern the proposed sale (the “**Sale**”) of the assets (collectively, the “**Assets**”) of LMCHH PCP LLC, a Delaware limited liability company, and Louisiana Medical Center and Heart Hospital, LLC, a North Carolina limited liability company (together, the “**Debtors**”), as more fully set forth in that certain Purchase and Sale Agreement (the “**Proposed PSA**”), dated as of March 14, 2017 by and between by Stirling Medical Lacombe, L.L.C. (“**Stirling**,” the “**Stalking Horse**” or the “**Proposed Purchaser**”, and the Debtors.

Asset Purchase Agreement

On March 14, 2017 (the “**Execution Date**”), the Debtors entered into the Proposed PSA with the Proposed Purchaser pursuant to which Proposed Purchaser proposes to acquire the Property identified in the Proposed PSA (the “**Purchased Assets**”) and assume certain assumed liabilities (the “**Assumed Liabilities**”).

Pursuant to the terms of the Proposed PSA, Proposed Purchaser would provide cash consideration in an amount equal to Twenty-Two Million U.S. Dollars (U.S. \$22,000,000), the Purchase Price set forth in Section 1.3 of the Proposed Purchaser, plus assumption of the Assumed Liabilities.

Sale Procedures

In order to maximize value for all of its stakeholders, the Debtors intend to initiate a competitive bidding process by making the Sale of the Property through the Proposed PSA subject to higher and better offers at an Auction. The proposed Bidding Procedures are set forth below, but may be modified, amended, or waived by the Debtors, in their sole discretion, after consultation with the Committee or, in the event of a dispute, as ordered by the Court, so long as such modifications, amendments or waivers do not otherwise conflict with the terms and requirements set forth in the Proposed PSA.

- a. **Potential Bidder.** The Debtors shall deliver the Sale Motion to all parties who are known to have expressed an interest in acquiring the Assets and any other entity that requests service of the Sale Motion (the “**Potential Bidders**”).
- b. **Confidentiality Agreements.** The Debtors may afford any Potential Bidder the time and opportunity to conduct reasonable due diligence; provided such Potential Bidder enters into a confidentiality agreement (a “**Confidentiality Agreement**”), on terms satisfactory to the Debtors and such other potential Bidders or, in the event of a dispute, upon approval of the Court, limiting its use of such information and demonstrates sufficient financial wherewithal, in the Debtors’ discretion, to consummate the Sale. Any Potential Bidder may obtain a copy of the Confidentiality Agreement from SOLIC. SOLIC and the Debtors may, on their own initiative, also send a copy of the Confidentiality Agreement to those parties

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Sale Motion.

who have not yet executed one but whom SOLIC or the Debtors have identified as being likely to be interested in making an offer to purchase the Assets and participating in the Auction. Thereafter, the Debtors and SOLIC shall entertain any further reasonable requests for additional information and due diligence from any party who has executed a Confidentiality Agreement and provided the required satisfactory evidence of financial wherewithal. Unless otherwise ordered by the Court, the Debtors, in their discretion and after consultation with the Committee, may deny any such requests for additional information, if, after taking into account, among other things, business factors, legal, regulatory, and other considerations, it determines that doing so would not be in the best interests of their estates and creditors or is otherwise contrary to the goals of the Auction and the Sale. If any due diligence material has not previously been provided to a Potential Bidder or Stirling, then the Debtors shall simultaneously provide such material to the Potential Bidder or Stirling.

- c. **Bidding Deadline.** To participate in the Auction, a Potential Bidder must become a Qualified Bidder (defined below). Unless otherwise ordered by the Bankruptcy Court, for cause shown, or as otherwise determined by the Debtors, each Potential Bidder must have delivered to (a) SOLIC Capital Advisors, ATTN: Greg Hagood 3284 Northside Parkway, Suite 450 |Atlanta, Georgia 30327 (b) Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender, Esq., (c) Stirling Medical Lacombe, L.L.C. Attn: Townsend Underhill, 109 Northpark Blvd., Suite 300, Covington, Louisiana 70433, with a copy to Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq., (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; and (g) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews, a Competing Bid (defined below) such that the Competing Bid is received no later than 4:00 pm prevailing Eastern Time on the date that is at least five (5) days before the date set for the Auction (the “**Bidding Deadline**”).
- d. **Competing Bid.** A Competing Bid consists of the following:
 - i. An executed Confidentiality Agreement;
 - ii. Current audited financial statements (or such other form of financial disclosure and credit-quality support or enhancement acceptable to the Debtors after consultation with the Committee and, in the event of a dispute approved by the Court) of the Potential Bidder or of those entities that will guarantee the obligations of the Potential Bidder;

- iii. A bid letter including a written expression of the Potential Bidder's initial bid that includes: (a) such Potential Bidder's initial bid (an "**Initial Bid**"), (b) a statement that such Potential Bidder is willing to proceed as a buyer on a basis substantially similar to that of Proposed Purchaser, and (c) a binding, definitive, and irrevocable executed copy of the Proposed PSA marked with interlineations indicating any modifications thereto required by such Potential Bidder (which agreement shall not contain any provision entitling such Potential Bidder to any Termination Fee or the other Bidding Procedures set forth therein);
 - iv. Provide an earnest money deposit equal to the greater of (x) \$3.0 million or (y) 10% of the Potential Bidder's Initial Bid (the "**Bid Deposit**"); and
 - v. Provide sufficient indicia that such Potential Bidder or its representative is legally empowered, by power of attorney or otherwise (i) to bid on behalf of the Potential Bidder and (ii) to complete and sign, on behalf of the Potential Bidder, a binding and enforceable PSA.
- e. **Purchased Assets and Assumed Liabilities.** Each Competing Bid must also: (a) specify the portion of the consideration to be paid in cash and the portion to be paid in any other form of value (if any), including specifying any liability of the Debtors that the such Potential Bidder intends to assume in connection with the Sale above and beyond the Assignment of Intangibles and Assignment of Ground Lease (as defined in the Proposed PSA); (b) if any consideration above and beyond the assumption of the Assignment of Intangibles and Assignment of Ground Lease is to be provided in a form other than cash, provide information concerning such consideration to permit the Debtors to accurately assess the value of such consideration; (c) if the Competing Bid contemplates a purchase of less than all of the Property, provide sufficient detail concerning which of the Property would not be purchased thereby other than as may be provided in the Proposed PSA; (d) not contain any contingencies to closing that are not set forth in the Proposed PSA, including, without limitation, contingencies for financing, diligence, board approval, or similar contingencies or condition; (e) identify with particularity each and every executory contract or unexpired lease the assumption and assignment of which is a condition to Closing, to the extent different from the Assignment of Intangibles and Assignment of Ground Lease proposed to be assumed under the Proposed PSA; (f) require the Qualified Bidder to consummate the Sale on substantially the same timing as set forth in the Proposed PSA; and (g) fully disclose the identity of the entities, if any, which shall be acquiring directly or indirectly a portion of the Assets under or in connection with the Competing Bid.
- f. **Qualified Bidder.** A Qualified Bidder is a Potential Bidder that delivers a Competing Bid and that the Debtors determine, in consultation with the Committee, and, in the event of a dispute, as determined by the Court, is reasonably likely (based on financial information submitted by the Potential Bidder, the availability of financing, experience and other considerations deemed relevant by the Debtors) to submit a bona fide offer and to be able to consummate

the proposed transaction if selected as the Winning Competing Bidder (defined below) within the time frame provided by the Proposed PSA and the Sale Motion. The Debtors may request additional information from a Potential Bidder to evaluate such Potential Bidder's ability to consummate the Sale and to fulfill its obligations in connection therewith, and, unless otherwise provided by the Court, such Potential Bidder will be obligated to provide such information as a precondition to participating further in the Auction. As promptly as practicable after a Potential Bidder delivers all of the materials required of a Competing Bid, and in no event later than two (2) days before the Auction, the Debtors shall determine, in consultation with the Committee, and shall notify each Potential Bidder and the Proposed Purchaser in writing, whether such Potential Bidder is a Qualified Bidder. Notwithstanding the foregoing, Proposed Purchaser shall be deemed a Qualified Bidder for purpose of the Auction. Each Qualified Bidder participating in the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding process or the Sale.

- g. **Bid Deposit.** The Bid Deposit shall be in the form of a wire transfer to the account of the Escrow Agent, pursuant to instructions to be provided upon request. The Bid Deposit, together with any interest earned thereon, shall be returned to any bidder whose Bid is not accepted by the Debtors within three (3) business days of the conclusion of the Sale Hearing, except that in the case of the party who submits the Alternate Winning Competing Bid (as such term is defined below) the Debtors reserve the right to retain such bidder's Bid Deposit until three (3) business days after the transaction with the Winning Competing Bidder has been consummated. If the entity that makes the Winning Competing Bid (as such term is defined below) fails to consummate the purchase of the Assets, and such failure to consummate the purchase is the result of a breach by the Winning Competing Bidder, such bidder's deposit shall be forfeited to the Debtors and the Debtors specifically reserve the right to seek all available damages from the defaulting offeror.
- h. **Initial Bid of a Qualified Bidder.** An Initial Bid of a Qualified Bidder shall not provide a purchase price that is less than Twenty-Three Million U.S. Dollars (U.S. \$23,000,000) in cash plus an additional amount in cash equal to the cure costs associated with the Assignment of Intangibles the Assignment of Ground Lease and any other amounts that would be owing with respect to the assumption and assignment of executory contracts or the assumption of additional liabilities and Assignment of Ground Lease paid by the Seller prior to such point in time (collectively, the "**Initial Competing Bid Amount**").
- i. **Revocation and Alternate Winning Competing Bid.** Competing Bids submitted on or prior to the Bidding Deadline, as same may be modified by a bidder at the Auction, shall remain open and irrevocable until the conclusion of the Sale Hearing and the entry of an order approving or denying a Sale. Acceptance of a Bid shall, in all respects, be subject to entry of an order by the Court that, among other things, authorizes the Debtors to consummate a sale to the Winning Competing Bidder (as defined below). Following the Sale Hearing,

if Purchaser or any Winning Competing Bidder (as the case may be) fails to consummate an approved sale because of a breach or failure to perform on its part, the next highest or otherwise best Qualified Bid, as determined at the Auction (the “**Alternate Winning Competing Bid**”), shall be deemed to be the Winning Competing Bid, and the Debtors, in consultation with the Committee, shall be authorized, but not required, to consummate the Sale with the Qualified Bidder submitting such bid (i) without the need for further notice or order of the Court and (ii) without prejudice to the Debtors’ right to seek all available damages from the defaulting offeror.

- j. **No Competing Bids.** If no timely, conforming Competing Bids are received by the Bidding Deadline (unless the Debtors have extended such deadline in consultation with the Committee or as otherwise ordered by the Court), then the Auction will not be held, Proposed Purchaser will be deemed the Winning Competing Bidder, and the Debtors shall seek approval of the Proposed PSA at the Sale Hearing.
- k. **Auction.** If one or more Competing Bids (other than the Purchaser’s) are received, the Auction will be conducted at the offices of Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, or at another location as may be timely disclosed by the Debtors to Qualified Bidders and the Proposed Purchaser, at a date to be disclosed promptly upon entry of the Bidding Procedures Order, but in no event earlier than five (5) business days prior to the Sale Hearing (the “**Auction Date**”) and continuing from time to time, and at such location, as may be timely disclosed by the Debtors to Qualified Bidders and the Proposed Purchaser, until the auction is declared by the Debtors in consultation with the Committee to be concluded. Qualified Bidders, the Stalking Horse Bidder, the Committee, MidCap, the DIP Lender, the U.S. Trustee, and any other party in interest who the Committee and the Debtors have mutually agreed to may attend the Auction. All Qualified Bidders, including the Stalking Horse Bidder, must appear in person at the Auction, or through a duly authorized representative.
 - i. **Transcription.** The Auction will be transcribed by a court reporter, or videotaped at the Debtors’ discretion.
 - ii. **Highest and Best Bid.** At or prior to the commencement of the Auction, the Debtors will notify all Qualified Bidders, including the Proposed Purchaser, of the then highest and best Qualified Bid received by that time (the “**Highest and Best Bid**”).
 - iii. **Subsequent Overbid.** Initial bidding shall begin at the Auction with the Highest and Best Bid. Each subsequent bid (each, a “**Subsequent Overbid**”) must have a purchase price that exceeds the purchase price of the previous highest bid by at least One Hundred Thousand Dollars (U.S. \$100,000). Except as otherwise set forth herein, the Debtors may conduct the Auction in the manner it determines will result in the highest, best or otherwise financially superior offer(s) for the Property. Any such rules

must provide that: (A) the procedures will be fair and open, with no participating Qualified Bidder disadvantaged in any material way as compared to any other Qualified Bidder; (B) the true identity of each bidder will be fully disclosed to all other bidders and all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction; and (C) each Qualified Bidder will be permitted a fair, but limited, amount of time to respond to the previous bid at the Auction.

- iv. **Rounds.** Unless otherwise specified by the Debtors, in consultation with the Committee, the Auction will continue in one or more rounds of bidding and shall conclude after each participating bidder has had an opportunity to submit an additional Subsequent Overbid, after being advised of the then-highest bid and the identity of the party making such next highest bid.
- v. **Higher and Better Bids.** In considering every bidder's bids, the Debtors shall take into account the Break-up Fee and Expense Reimbursement.
- vi. **Additional Terms and/or Conditions.** The Debtors, after consultation with the Committee, further reserve the right to (a) amend and/or impose additional terms and/or conditions at or prior to the Auction that they believe will better promote the goals of the Auction and do not otherwise conflict with the terms and requirements set forth in the Proposed PSA, (b) extend the deadlines set forth in the Bidding Procedures and/or adjourn the Auction at the Auction and/or the Sale Hearing in open court or on the Bankruptcy Court's calendar on the date scheduled for said hearing without further notice to creditors or parties-in-interest, and (c) to withdraw the Sale Motion at any time prior to the conclusion of the Sale Hearing.
1. **Winning Competing Bid.** The Debtors, in consultation with the Committee, shall (i) review each Qualified Bid or bids (as and to the extent such bids were increased at the Auction) on the basis of financial and contractual terms and the factors relevant to the Sale Process, including those factors affecting the speed and certainty of consummating the Sale, and (ii) identify the highest and otherwise best offer for the Property as the winning competitive bid ("**Winning Competing Bid**") and such entity submitting the Winning Qualified Bid will be the winning competing bidder ("**Winning Competing Bidder**"). Prior to the conclusion of the Auction, the Winning Competing Bidder shall enter into a Purchase and Sale Agreement that conforms with the Winning Competing Bid (the "**Winning Competing Bidder PSA**").

To the extent that a Proposed Purchaser's bid embodied in the Proposed PSA is not the Winning Competing Bid at the Auction, the Debtors will file with the Court a supplement (the "**Supplement**") that will inform the Court of the results of the Auction and the Winning Competing Bid. The Supplement will identify, among other things, identify (a) the Winning Competing Bidder, as the proposed purchaser of the Assets, (b) the consideration to be paid by

such purchaser for the Property, and (c) any executory contracts and unexpired leases to be assumed and assigned to the purchaser in connection with the Sale (to the extent different from the Assignment of Intangibles and Assignment of Ground Lease proposed to be assumed and assigned to the Proposed Purchaser under the Proposed PSA). In addition, the Debtors will attach to the Supplement, as exhibits, (a) any revised proposed order approving the Sale, (b) the Winning Competing Bidder PSA, and (c) information necessary to provide adequate assurance of the Winning Competing Bidder's ability to perform.

As promptly as is reasonably practicable prior to the Sale Hearing, the Debtors will file and serve the Supplement on (i) the U.S. Trustee, (ii) counsel to the Committee, (iii) counsel to the Proposed Purchaser, (iv) any party who timely submitted a Competing Bid, (v) counsel to MidCap Funding IV Trust; (vi) counsel to the DIP Lender, (vi) any party who has requested notice in the Debtors' Bankruptcy Cases, and (vi) any person who submits a written request therefor to Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender, Esq., (E-mail, david.wender@alston.com; Facsimile: (404) 253-8521).

EXHIBIT 2

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

In re) Chapter 11
)
LMCHH PCP LLC, *et al.*,¹) Case No. 17-10353
)
) Section “B”
Debtors.)
) Jointly Administered with
) Case No. 17-10354

NOTICE OF AUCTION AND SALE HEARING

NOTICE IS HEREBY GIVEN AS FOLLOWS:

1. On _____, 2017, LMCHH PCP LLC, a Delaware limited liability company, and Louisiana Medical Center and Heart Hospital, LLC, a North Carolina limited liability company (together, the “**Debtors**”),² filed their motion (the “**Motion**”), pursuant to Sections 105(a), 363, and 365 of Title 11 of the United States Code (the “**Bankruptcy Code**”), and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), requesting the entry of two orders: (I) a bidding procedures order (the “**Bidding Procedures Order**”), among other things, (a) approving certain procedures (the “**Bidding Procedures**”) in connection with the sale of certain of the Debtor’s assets and the assumption and assignment of certain contracts to the Purchaser (the “**Sale**”); (b) scheduling an auction (the “**Auction**”), at which the Debtors will solicit competing bids for the Sale pursuant to the Bidding Procedures; (c) approving a break-up fee and expense reimbursement for the Stalking Horse as protection against a higher and better bid; (d) scheduling a final sale hearing (the “**Sale Hearing**”) to approve the Sale of the Debtors’ Property to the Stalking Horse or to the successful bidder or bidders at the Auction and establishing a deadline for filing objections to the Sale (the “**Objection Deadline**”); and (II) an order (the “**Sale Order**”) authorizing the Sale of the Debtors’ Property to the Stalking Horse or to the successful bidder or bidders at the Auction, free and clear of any and all liens, claims, and interests of any kind, nature or description (collectively, the “**Liens**”) except Permitted Exceptions.

¹ The last four digits of the taxpayer identification numbers for each of the Debtors follow in parenthesis: (i) LMCHH PCP LLC (8569); and (ii) Louisiana Medical Center and Heart Hospital, LLC (7298). The mailing address for both of the Debtors is 64030 Highway 434, Lacombe, LA 70445.

² Capitalized words not defined herein shall have the meaning given to them in the Proposed PSA (defined below). To the extent there are any inconsistencies between this summary description and the Proposed PSA, the terms of the Proposed PSA shall control.

2. The Debtor and Stirling Medical Lacombe, L.L.C. (the “**Proposed Purchaser**” or “**Stalking Horse**”) have entered into an purchase and sale agreement (the “**Proposed PSA**”), dated March 14, 2017, regarding the Sale of certain of the Debtor’s assets (the “**Property**”) including certain contracts to be assumed by the Purchaser (the “**Assumed Contracts**”), subject to higher and better offers.

3. On _____, 2017, the United States Bankruptcy Court for the Eastern District of Louisiana Delaware (the “**Court**”) entered the Bidding Procedures Order, among other things, approving the Bidding Procedures, the Breakup Fee, Expense Reimbursement and scheduling the Sale Hearing.

4. Pursuant to the Bidding Procedures Order, if the Debtor receives any higher or better bids for the Property, the Auction of the Assets shall take place on **May 16, 2017, at 10:00 a.m.** at the offices of Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, or at such other time and place as the Debtor may notify Qualified Bidders and the Proposed Purchaser.

5. Only parties that have submitted a Qualifying Bid, as set forth in the Bidding Procedures attached to the Bidding Procedures Order, by no later than **May 11, 2017**, at 4:00 p.m. (Central Time) (the “**Bidding Deadline**”), may participate at the Auction. Any party that wishes to take part in the Auction must submit a bid for the Assets prior to the Bidding Deadline and in accordance with the Bidding Procedures.

6. The Sale Hearing to approve the transfer of the Property to the Purchaser pursuant to the terms of the Proposed PSA, or such other Winning Competing Bidder (as defined in the Bidding Procedures) as may prevail at the Auction, will be held beginning on **May 18, 2017, at 2:00 p.m.** (Central Time), and continuing on **May 19, 2017 at 9:00 a.m.**, if necessary, before the Honorable Jerry A. Brown, United States Bankruptcy Judge, Courtroom B-705, 500 Poydras Street, Suite B-601, New Orleans, LA 70130.

7. At the Sale Hearing, the Court may enter such orders at it deems appropriate under the applicable law and as required by the circumstances and equities of the Debtors’ bankruptcy cases. Any objection (an “**Objection**”) to the Sale of the Assets pursuant to the terms of the APA shall (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) be filed with the Clerk of the Bankruptcy Court for the Eastern District of Louisiana, 500 Poydras Street, Suite B-601, New Orleans, LA 70130, on or before May 17, 2017, at 11:00 a.m. (Central Time) (the “**Objection Deadline**”), or on such later date and time as the Debtor, after consultation with the Committee, may agree, and (iv) with a copy served on (a) counsel to the Debtors, Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender; (b) local counsel to the Debtors, Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, attn.: Lisa Futrell; (c) counsel to the Proposed Purchaser, Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq.; (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union

Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; (g) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews; and (h) all parties that have requested notice.

8. A copy of the Proposed PSA is attached to the Motion as Exhibit C.

9. The Bidding Procedures are attached to the Bidding Procedures Order as Exhibit 1.

10. The Motion, the Proposed PSA, the Bidding Procedures Order, the Bidding Procedures, and all related documents are available on the Debtors' claims and noticing agent's website: <http://www.gardencitygroup.com/cases-info/lhh/>

DATED: _____, 2017

JONES WALKER LLP

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Attorneys for the Debtors

EXHIBIT 3

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

In re) Chapter 11
)
LMCHH PCP LLC, *et al.*,¹) Case No. 17-10353
)
) Section “B”
Debtors.)
) Jointly Administered with
) Case No. 17-10354

**NOTICE OF INTENT TO ASSUME AND ASSIGN CERTAIN EXECUTORY
CONTRACTS IN CONNECTION WITH THE SALE OF THE PURCHASED ASSETS
AND THE FIXING OF CURE AMOUNTS AND RELATED PROCEDURES**

NOTICE IS HEREBY GIVEN AS FOLLOWS:

1. On _____, 2017,, the United States Bankruptcy Court for the Eastern District of Louisiana (the “**Court**”) entered an order (the “**Bidding Procedures Order**”), pursuant to Sections 105(a), 363, and 365 of Title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), in the Chapter 11 cases of LMCHH PCP LLC, a Delaware limited liability company, and Louisiana Medical Center and Heart Hospital, LLC, a North Carolina limited liability company (together, the “**Debtors**”), approving, among other things, this notice, the scheduling of the Sale Hearing, and procedures for the fixing of cure amounts (the “**Cure Amounts**”) related to the assumption and assignment of certain executory contracts and other agreements of the Debtors (the “**Assumed Contracts**,” listed on Exhibit A hereto) in connection with the Sale of certain of the Debtor’s assets (the “**Property**”). The Debtors will assume the Assumed Contracts and assign them to Stirling Medical Lacombe, L.L.C. (the “**Proposed Purchaser**” or “**Stalking Horse**”), pursuant to the terms of the purchase and sale agreement (the “**Proposed PSA**”)

¹ The last four digits of the taxpayer identification numbers for each of the Debtors follow in parenthesis: (i) LMCHH PCP LLC (8569); and (ii) Louisiana Medical Center and Heart Hospital, LLC (7298). The mailing address for both of the Debtors is 64030 Highway 434, Lacombe, LA 70445.

between the Debtors and the Proposed Purchaser, dated March 14, 2017, or to the Winning Competing Bidder² at an Auction of the Property.

2. The Debtors believe and assert that any and all defaults under the Assumed Contracts can be cured by the payment of the Cure Amounts listed on Exhibit A hereto.

3. Any objections to (i) the assumption or assignment of an Assumed Contract, or (ii) the amount asserted as the Cure Amount (each, an “**Assumption and/or Cure Objection**”) must be in writing and set forth with specificity the nature of the objection and/or the cure amount that the objecting party believes should be paid in connection with the assumption of the Assumed Contract (the “**Claimed Cure Amount**”).

4. Any Assumption and/or Cure Objection shall (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) be filed with the Clerk of the Bankruptcy Court for the Eastern District of Louisiana, 500 Poydras Street, Suite B-601, New Orleans, LA 70130, on or before May 17, 2017, at 11:00 a.m. (Central Time) (the “**Objection Deadline**”), or on such later date and time as the Debtors may agree, and (iv) with a copy served on the (a) counsel to the Debtors, Alston & Bird LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, Attn: David Wender; (b) local counsel to the Debtors, Jones Walker LLP, 201 St. Charles Ave #5000, New Orleans, LA 70170, attn.: Lisa Futrell; (c) counsel to the Proposed Purchaser, Fishman Haygood, L.L.P., 201 St. Charles Avenue, 46th Floor, New Orleans, Louisiana 70170-4600, Attention: Steven C. Serio, Esq.; (d) counsel to the Official Committee of Unsecured Creditors, Heller Draper Patrick Horn & Dabney, LLC, 650 Poydras Street, Suite 2500, New Orleans, LA 70130, Attn: William F. Patrick, III and Tristan E. Manthey, (e) the Office of the U.S. Trustee, 400 Poydras Street, Suite 2110, New Orleans, LA 70130, Attn.: Mary S. Langston; (f) counsel to MidCap Funding IV Trust, Waller Lansden Dortch & Davis, LLP, 511 Union Street Suite 2700, Nashville, TN 37219, Attn: David E. Lemke; (g) counsel to the DIP Lender, Dykema Cox Smith, 1717 Main Street, Suite 4200, Dallas, TX 7520, Attn: Mark E. Andrews; and (h) all parties that have requested notice.

5. If an Assumption and/or Cure Objection is timely filed, a hearing in respect thereof shall be held at the Sale Hearing, beginning on **May 18, 2017, at 2:00 p.m.** (Central Time) and continuing if necessary on **May 19, 2017 at 9:00 a.m.**, before the Honorable Jerry A. Brown, United States Bankruptcy Judge, Courtroom B-705, 500 Poydras Street, Suite B-601, New Orleans, LA 70130.

6. Unless the Assumption and/or Cure Objection is timely filed and served, the assumption and assignment of the applicable Assumed Contract will proceed without further notice.

7. Parties that fail to file and serve timely an Assumption and/or Cure Objection shall be deemed to have waived and released any and all rights to assert Cure Amounts different from those listed on Exhibit A hereto, and, subject to payment of the Cure Amount listed on

² Capitalized terms not defined herein shall have the meaning ascribed to them in the Bidding Procedures Order.

Exhibit A with respect to the Assumed Contract, shall be forever barred and estopped from asserting or claiming against the Debtors or the Proposed Purchaser, or any assignee of the Assumed Contract, that any additional cure amounts are due or defaults exist, or prohibitions or conditions to assignment exist or must be satisfied, under such Assumed Contract.

8. If no Cure Amounts are due under the Assumed Contract, and the non-debtor party to the Assumed Contract does not otherwise object to the Debtors' assumption and assignment of the Assumed Contract, no further action need be taken by the non-debtor party.

9. Assumption and/or Cure Objections that object solely to the Cure Amount may not prevent or delay the Debtors' assumption and assignment of any Assumed Contract. If a party objects solely to a Cure Amount, the Debtors may, in their discretion, hold the Claimed Cure Amount in reserve pending further order of the Court or mutual agreement of the parties. So long as the Debtors hold the Claimed Cure Amount in reserve, and there are no other unresolved objections to assumption and assignment, the Debtors can, without further delay, assume and assign the Assumed Contract that is the subject of the objection and the objecting party's recourse shall be limited to the funds held in reserve.

10. The Debtors' decision to assume and assign to the Proposed Purchaser, or the Winning Competing Bidder, the Assumed Contracts is subject to Court approval and the closing of the Sale (the "**Closing**"). Accordingly, absent such Closing, none of the Assumed Contracts shall be deemed assumed or assigned and shall in all respects remain subject to further administration under the Bankruptcy Code. The inclusion of any document on the list of Assumed Contracts shall not constitute or be deemed a determination or admission by the Debtors or the Proposed Purchaser that such document is, in fact, an executory contract within the meaning of the Bankruptcy Code.

DATED: _____, 2017

JONES WALKER LLP

/s/ _____
Elizabeth J. Futrell (LA Bar No. 05863)
201 St. Charles Avenue, Suite 5100
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Attorneys for the Debtors

Exhibit A

Assumed Contracts and Cure Amounts

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

In re) Chapter 11
)
LMCHH PCP LLC, *et al.*,¹) Case No. 17-10353
)
) Section “B”
Debtors.)
) Jointly Administered with
) Case No. 17-10354

ORDER PURSUANT TO SECTIONS 105(a), 363 AND 365 OF THE BANKRUPTCY CODE, AND BANKRUPTCY RULES 2002, 6004, 6006, AND 9014, APPROVING THE SALE OF ASSETS, INCLUDING THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS, FREE AND CLEAR OF ALL LIENS, CLAIMS, AND INTERESTS

Upon the motion (the “**Sale Motion**”), of LMCHH PCP LLC, a Delaware limited liability company, and Louisiana Medical Center and Heart Hospital, LLC, a North Carolina limited liability company (together, the “**Debtors**”),² pursuant to Sections 105(a), 363, and 365 of Title 11, United States Code (the “**Bankruptcy Code**”) and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) requesting entry of an order (the “**Sale Approval Order**”): (i) authorizing and approving that certain Purchase and Sale Agreement (the “**Proposed PSA**”), dated as of March 14, 2017 (including all exhibits, schedules and ancillary agreements related thereto, the “**Proposed PSA**”), by and among the Debtors and Stirling Medical Lacombe, L.L.C. (“**Stirling**,” the “**Stalking Horse**” or the “**Proposed Purchaser**”), pursuant to which Debtors have agreed to sell the Property to the Proposed Purchaser; (ii) authorizing and approving the sale by the Debtors of the Property, free

¹ The last four digits of the taxpayer identification numbers for each of the Debtors follow in parenthesis: (i) LMCHH PCP LLC (8569); and (ii) Louisiana Medical Center and Heart Hospital, LLC (7298). The mailing address for both of the Debtors is 64030 Highway 434, Lacombe, LA 70445.

² Capitalized words not defined herein shall have the meaning given to them in the Proposed PSA (defined below). To the extent there are any inconsistencies between this summary description and the Proposed PSA, the terms of the Proposed PSA shall control.

and clear of all liens, claims encumbrances and interests (other than certain Permitted Exceptions as defined in Section 2.1 of the Proposed PSA); (iii) authorizing the assumption and assignment to the Proposed Purchaser of certain executory contracts (collectively, the “**Assumed Contracts**”); and (iv) granting other related relief; and the Court having conducted a hearing on the Sale Motion on April 13, 2017 (“**Sale Hearing**”), at which time all interested parties were offered an opportunity to appear and be heard with respect to the Sale Motion; and the Court having reviewed and considered (i) the Sale Motion and the exhibits thereto, (ii) the Proposed PSA, (iii) this Court’s Order Approving the Motion Pursuant to 11 U.S.C. §§ 105(A), 363, 365 And Fed. R. Bankr. P. 2002, 6005, 6006 for entry of an order establishing bidding and auction procedures related to the sale of the Debtors’ assets (Docket No. _____), dated _____, 2017 (the “**Bidding Procedures Order**”) approving competitive bidding procedures for the Property (the “**Bidding Procedures**”); and the Court having considered all objections to the Sale Transaction, the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; and due and proper notice of the Sale Motion having been provided to (i) the U.S. Trustee, (ii) counsel to the Committee, (iii) counsel to the Stalking Horse, (iv) counsel to MidCap Funding IV Trust; (v) counsel to the DIP Lender, (vi) any party who has requested notice in the Debtors’ Bankruptcy Cases, (vii) any person who has submitted a written request therefor, and (viii) any party who, in the past twelve (12) months, expressed in writing to the Debtors or SOLIC an interest in acquiring the Property and who the Debtors and SOLIC reasonably and in good faith determine potentially have the desire and financial wherewithal to effectuate the Sale; and due and proper notice of the Sale and the assumption and assignment of the Assumed Contracts otherwise having been provided to any other parties required to be noticed pursuant to the Bidding Procedures Order; and it appearing that no other or further notice

need be provided; all parties in interest having been heard, or having had the opportunity to be heard, regarding the approval of the Bidding Procedures Order, the Sale and all transactions contemplated thereunder; and the Court having reviewed and considered the Motion and any objections thereto, and the arguments of counsel and evidence adduced related thereto; and upon the record of the hearings for consideration of the Bidding Procedures Order and the Sale and the full record of these cases; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estate and creditors, and all parties in interest, and the legal and factual bases set forth in the Motion, and the record establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY FURTHER FOUND AND DETERMINED AS FOLLOWS:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. This Sale Approval Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), the Court expressly finds that there is no just reason for delay in the implementation of this Sale Approval Order, and expressly directs entry of judgment as set forth herein.

C. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

D. Notice of the Motion and of the Sale Hearing was given in accordance with the directive of the Court and as otherwise required by applicable law, as evidenced by the affidavits of service on file with the Clerk of the Court.

E. Notice of the Sale Motion and of the Sale Hearing was adequate and sufficient under the circumstances.

F. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion or the Proposed PSA.

G. The procedures set forth in the Bidding Procedures Order were substantively fair and procedurally fair to all parties. The Debtors conducted the sale process (including the Auction) in accordance with the Bidding Procedures Order.

H. The highest and best offer for the Property was submitted by Stalking Horse pursuant to the terms of the Proposed PSA and in accordance with the bid procedures previously approved by the Court.

I. The Proposed PSA was negotiated and proposed, and has been entered into by the parties in good faith within the meaning of Section 363(m) of Title 11, United States Code (the “**Bankruptcy Code**”), at arm’s length bargaining positions, and without collusion; the Stalking Horse is a good faith purchaser of the Property (as defined in the Proposed PSA) within the meaning of Section 363(m) of the Bankruptcy Code and entitled to the protections thereof; the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the relief granted herein is in the best interests of Debtors and their estates.

J. The Property is property of the Debtors and title thereto is vested in the Debtors.

K. Except as otherwise expressly provided in the Proposed PSA, no further consents or approvals are required for the Debtors to consummate the Sale of the Property other than the consent and approval of this Court. Although the parties have agreed under the terms of the Proposed PSA to obtain certain additional consents or approvals, as conditions to the closing of the Sale of the Property, the Court makes no finding as to whether any of these additional

consents or approvals is necessary for approval and authorization of the Sale by the Court. Neither the execution of the Proposed PSA nor the consummation of the Sale of the Property in accordance with the terms of the Proposed PSA will constitute a violation of any provision of the organizational documents of the Debtors or any other instrument, law, regulation, or ordinance by which Debtors are bound.

L. The consideration to be paid by the Stalking Horse to the Debtors for the Property pursuant to the Proposed PSA (i) is fair and reasonable, (ii) is the highest and/or otherwise best offer for the Property, and (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and the Uniform Fraudulent Conveyance Act and the Uniform Fraudulent Transfer Act and any and all similar laws of any state or jurisdiction whose law is applicable to the Sale and transaction contemplated thereby.

M. All objections thereto having been resolved.

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is granted to the extent provided herein. All objections to the Motion that have not been withdrawn, waived, settled, or specifically addressed in this Order, and all reservations of rights included in such objections, are overruled in all respects on the merits and denied.

2. The Debtors are hereby authorized and empowered to enter into the Proposed PSA and the Proposed PSA is hereby approved in its entirety and incorporated herein by reference, and it is further ordered that, as set forth below, all amounts payable under the Proposed PSA shall be payable without the need for any application therefor or a further order of the Court, provided that all such amounts are set forth in detail in a sources and used of funds to be paid at the Closing (the “**Proposed Sources and Uses**”). The Debtors shall be authorized to

make all payments set forth in the Proposed Sources and Uses at Closing unless the Committee objects to such payments. If the Committee objects to a payment or payments proposed to be made in the Proposed Sources and Uses (each, a “**Disputed Payment**”), the Debtors shall not make a Disputed Payment unless approved by the Court.

3. Pursuant to Section 363(f) of the Bankruptcy Code, all of the Property shall be sold free and clear of any and all mortgages, security interests, conditional sales or title retention agreements, pledges, hypothecations, liens, judgments, encumbrances or claims of any kind or nature (including, without limitation, any and all “claims” as defined in Section 101(5) of the Bankruptcy Code), whether arising by agreement, any statute or otherwise and whether arising before, on or after the date on which this Chapter 11 case was commenced (collectively, the “**Liens**”), with such Liens to attach to the proceeds and consideration (whether in the form of cash or otherwise) payable to or at any time received by the Debtors under the Proposed PSA in their same lawful rank and priority, subject to any and all defenses, claims and/or counterclaims or setoffs that may exist. Notwithstanding the preceding, in accordance with the Proposed Sources and Uses, (A) the Debtors shall pay or otherwise reserve from the proceeds of the Sale the amounts necessary to (i) satisfy the claim of MedCare Investment Fund V, L.P. (in its capacity as the lender under the DIP Loan Agreement, the “**DIP Lender**”) owing in respect of the DIP Loan Agreement, and (ii) establish a fully funded reserve for the Centers for Medicare & Medicaid Services (“**CMS**”), the agency of the United States Department of Health and Human Services that administers the Medicare program, as set forth in the Final DIP Loan and Cash Collateral Order (Docket # 169 and 192); and (B) may, but shall not be required to, pay (if allowed) or otherwise reserve for (if not allowed) the amounts necessary to satisfy the claims of: (iii) MidCap Funding IV Trust, and (iv) the tax claim asserted by St. Tammany Parish, and (v)

the claim of any other creditor secured by an interest in the Property being sold. If a claim secured by a Lien is not satisfied at Closing, the Lien (if any) of such claim shall attach to the proceeds and consideration (whether in the form of cash or otherwise) payable to or at any time received by the Debtors under the Proposed PSA in their same lawful rank and priority, subject to any and all defenses, claims and/or counterclaims or setoffs that may exist.

4. The Debtors and the Stalking Horse, and each of their respective officers, employees and agents, are hereby authorized to take such actions necessary and appropriate to implement the Proposed PSA and to close the transactions contemplated thereby without the necessity of a further order of this Court as provided by the Proposed PSA, including, but not limited to, the assumption and assignment of the Assumed Contracts, all in accordance with the terms of the Proposed PSA.

5. All of the transactions contemplated by the Proposed PSA and the closing of the sale of the Property and assignment of the Assumed Contracts shall be protected by Section 363(m) of the Bankruptcy Code to the maximum extent provided therein in the event that this Order is reversed or modified on appeal.

6. The Stalking Horse shall not be liable for any claims against the Debtors other than as expressly provided for in the Proposed PSA. Without limiting the generality of the other provisions of this Order, the Stalking Horse, under no circumstances, shall be deemed to be a successor of the Debtors. Accordingly, the Stalking Horse shall have no successor or vicarious or other liabilities of any kind with respect to the Debtors or the Property, and all persons and entities shall be hereby enjoined from asserting any such claims against the Stalking Horse.

7. The provisions of this Order and the Proposed PSA and any actions taken pursuant hereto or thereto shall survive entry of any order which may be entered confirming or

consummating any plan of reorganization of the Debtors, or which may be entered converting any of the Debtors' cases from Chapter 11 to Chapter 7, and the terms and provisions of the Proposed PSA as well as the rights and interests granted pursuant to this Order and the Proposed PSA shall continue in this or any superseding case and shall be binding upon the Debtors, the Stalking Horse and their respective successors and permitted assigns, including any trustee or other fiduciary hereafter appointed as a legal representative of the Debtors under Chapter 7 or 11 of the Bankruptcy Code. Any trustee appointed in the Debtors' cases shall be and hereby is authorized and directed to operate the business of Debtors to the fullest extent necessary to permit compliance with the terms of this Order and the Proposed PSA and the Stalking Horse and such trustee shall be and hereby is authorized and directed to perform under the Proposed PSA upon the appointment of a trustee with the need for further order of this Court.

8. To the extent, if any, anything contained in this Order conflicts with a provision in the Proposed PSA, this Order shall govern and control.

9. The Proposed PSA or any document relating thereto may be modified, amended, or supplemented by the parties thereto, in a writing signed by such parties and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment, or supplement does not (i) have a material adverse effect on the Debtors or their estates and (ii) is not inconsistent with this order in any material respect.

10. Any party having the right to consent to the assumption or assignment of the Assumed Contracts pursuant to the Proposed PSA that has failed to object to such assumption or assignment by timely filing an Assumption and/or Cure Objection is deemed to have consented to such assumption and assignment, as required by Section 365(c) of the Bankruptcy Code. In

addition, adequate assurance of future performance has been demonstrated by or on behalf of Stalking Horse with respect to the Assumed Contracts.

11. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to Debtors or to the Stalking Horse or its affiliates or designees as a result of the assumption and assignment by the Debtors to the Stalking Horse of the Assumed Contracts, and the validity of such assumption or assignment shall not be affected by any dispute between the Debtors and any counterparty to any Assumed Contract, and the Assumed Contracts, upon assignment to Stalking Horse, shall be deemed valid and binding and in full force and effect in accordance with their terms.

12. This Order shall be binding on all creditors (whether known or unknown) of the Debtors, all successors and assigns of the Stalking Horse, the Debtors, their affiliates and any subsequent trustee(s) appointed in the Debtors' bankruptcy cases or upon a conversion to Chapter 7 under the Bankruptcy Code and shall not be subject to rejection or revocation.

13. Consistent with, but not in limitation of the foregoing, each and every federal, state, and local government agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the Sale.

14. This Order is binding upon and governs the acts of all persons and entities, including, without limitation, all county clerks, filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease, and each of

the foregoing entities is hereby directed to and shall accept for filing any and all of the documents and instruments necessary and appropriate to consummate, effectuate or reflect the Sale, including, but not limited to, the following:

(a) [*LIST OF MONETARY LISTS TO BE RELEASED FORTHCOMING*]

15. Except as otherwise set forth in this Order, this Court shall retain exclusive jurisdiction with regard to all issues on disputes in connection with this Order and the relief provided for herein, and to resolve any disputes related to the Proposed PSA or the implementation thereof.

16. As provided by Bankruptcy Rules 6004(h) and 6006(d), this Sale Approval Order will not be stayed for 10 days after the entry of the Sale Approval Order and will be effective immediately upon entry, and the Debtors and the Stalking Horse are authorized to close the Sale Transition immediately upon entry of this Sale Approval Order.

Dated: _____, 2017

HONORABLE JERRY A. BROWN
U.S. BANKRUPTCY JUDGE

EXHIBIT C

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of March 15, 2017 (the "Effective Date"), is made and entered into between **LOUISIANA MEDICAL CENTER AND HEART HOSPITAL, LLC**, a North Carolina limited liability company ("Seller"), and **STIRLING MEDICAL LACOMBE, L.L.C.**, a Louisiana limited liability company ("Purchaser"). Purchaser and Seller are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, Seller is the owner of the Property (as defined below);

WHEREAS, Seller commenced a chapter 11 bankruptcy case (the "Bankruptcy Case") in the United States Bankruptcy Court for the District of Delaware. The Bankruptcy Case was transferred to the Eastern District of Louisiana (the "Bankruptcy Court") on February 2, 2017, and was assigned Case No. 17-10354;

WHEREAS, this Agreement, the Acquisition (as defined below) and the other transactions contemplated by this Agreement are subject to the approval of the Bankruptcy Court pursuant to Sections 105, 363 and 365 of title 11 of the United States Code (11 U.S.C. § 101, *et seq.*) (the "Bankruptcy Code");

WHEREAS, the Parties desire to enter into this Agreement pursuant to which Seller proposes to sell to Purchaser, and Purchaser proposes to purchase from Seller (the "Acquisition"), the Property, on the terms and conditions more particularly set forth herein; and

WHEREAS, the Parties desire to make certain representations, warranties, agreements, and covenants in connection with the Acquisition and the other transactions contemplated hereby.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, each Party hereby agrees as follows:

ARTICLE I

PURCHASE AND SALE

Section 1.1 Agreement of Purchase and Sale; Property Defined. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's right, title and interest in and to the following:

(a) that certain tract or parcel of land situated in St. Tammany Parish, Louisiana, more particularly described in Exhibit A attached hereto and made a part hereof, together with all rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (the "Land");

(b) the buildings, structures, fixtures and other improvements affixed to or located on the Land (the "Improvements");

(c) any and all of Seller's right, title and interest in and to all tangible personal property owned by Seller and located upon the Land or within the Improvements, including, without limitation, any and all fixed assets, equipment, furniture, furnishings, fixtures and other tangible personal property located on and used exclusively in connection with the operation of the Land and the Improvements (the "Personal Property");

(d) any and all of Seller's right, title and interest in and to the lessor's interest in that certain Ground Lease dated June 21, 2007 between Seller, as lessor, and LA HEART MOB, L.P., as lessee, as amended by that certain First Amendment to Ground Lease dated July 3, 2007, that certain Second Amendment to Ground Lease dated February 28, 2008, that certain Amendment to Notice of Ground Lease dated March 26, 2008, that certain Lease Assignment, Assumption and Ratification Agreement dated March 26, 2008, and that certain Third Amendment to Ground Lease dated March 26, 2010 (collectively and as it may have been amended or assigned from time to time, the "Ground Lease");

(e) any and all of Seller's right, title and interest in and to (i) all assignable existing warranties and guaranties (express or implied) issued to Seller in connection with the Improvements or the Personal Property, and (ii) all assignable existing permits, licenses, approvals and authorizations issued by any governmental authority in connection with the Property (the "Intangibles"); and

(f) any and all oil, gas and other minerals and associated hydrocarbons on, under and beneath the Land (the "Mineral Rights").

Section 1.2 Excluded Property. Notwithstanding anything to the contrary set forth herein, the Property shall not include the following assets, properties or rights of Seller:

(a) all cash on hand, deposits, cash equivalents, and marketable securities, and all rights to any bank accounts of Seller;

(b) all deposits made by or on behalf of Seller with respect to utility services provided to the Land and/or Improvements;

(c) any and all of Seller's right, title and interest in and to the leases and licenses with respect to the fixed assets and equipment more particularly described in Exhibit B-1 attached hereto and made a part hereof;

(d) any and all of Seller's right, title and interest in and to the equipment, furniture, furnishings, computer hardware, and other tangible personal property that has been loaned to Seller by third parties, including but not limited to that more particularly described in Exhibit B-2 attached hereto and made a part hereof;

(e) all of Seller's right, title and interest in and to any information generated from and medical supplies used in connection with the operation of the Land and the Improvements, including without limitation, medical records, electronic medical and patient information systems, patient billing records, pharmaceuticals, biologicals, disposable medical and surgical supplies and inventory;

(f) any and all rights or obligations of Seller under any third party agreements related to the Property except for the Permitted Exceptions and the Ground Lease;

(g) any provider numbers under government programs (including Medicare and Medicaid programs and such other similar federal, state or local reimbursement or governmental

programs), private and managed care payors, fiscal intermediaries or other third party payors, in each case, relating to Seller or its Affiliates (as defined below) and all lockbox accounts;

(h) the patient medical records relating to the clinical services provided by the hospital formerly operated on the Land and the Improvements, whether in paper or electronic form, including the electronic patient medical records and the supporting McKesson electronic medical records license and any physical patient records; and

(i) the (i) corporate records and minute books of Seller, (ii) information technology infrastructure owned by Seller, including without limitation, any (A) servers located in the Improvements, (B) computers located in any administrative offices located in the Improvements, and (C) computers currently utilized by Seller's administrative staff responsible for the winding down of the operations of Seller, (iii) all furniture, fixtures and equipment currently stored on the fourth floor of the Improvements on the Effective Date, (iv) and furniture, equipment or inventory related to the Seller's physician offices that is currently being stored on the third floor of the Improvements on the Effective Date, and (v) the physical therapy equipment and X-Ray equipment related to the Seller's physician offices that is currently being stored on the first floor of the Improvements on the Effective Date and more particularly described in Exhibit B-3.

Section 1.3 Property Defined. The Land and the Improvements are hereinafter referred to collectively as the "Real Property." The Land, the Improvements, the Personal Property, the Intangibles and the Mineral Rights are hereinafter referred to collectively as the "Property."

Section 1.4 Purchase Price. Seller is to sell and Purchaser is to purchase the Property for the amount of Twenty-Two Million Dollars (\$22,000,000.00) (the "Purchase Price").

Section 1.5 Payment of Purchase Price. The Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be payable in full at Closing in cash by wire transfer of immediately available funds to the bank account designated by Seller in writing to Purchaser.

Section 1.6 Deposit. Concurrently with the execution of this Agreement, Purchaser shall deposit with First American Title Insurance Company ("Escrow Agent") a good faith deposit in an amount equal to Three Million Dollars (\$3,000,000.00) (the "Deposit") by wire transfer of immediately available funds. The Deposit shall be held, invested and disbursed pursuant to the respective terms and provisions hereof and of an escrow agreement in the form of Exhibit C attached hereto and made a part hereof. The Deposit shall not be deemed to constitute property of the bankruptcy estate of Seller (the "Estate"), and the Estate shall have no interest of any kind (equitable or otherwise) in the Deposit unless and until such deposit is released from escrow to the Seller in accordance with this Agreement. If the Closing occurs, then the Deposit shall be released from escrow to the Seller at Closing in accordance with this Agreement.

ARTICLE II

PERMITTED EXCEPTIONS; CONVEYANCE OF TITLE

Section 2.1 Permitted Exceptions. The Property shall be conveyed subject to the following matters, which are hereinafter referred to as the "Permitted Exceptions":

(a) easements, covenants, restrictions, and other matters of record (other than liens securing monetary obligations);

- (b) mechanics', materialmens', carriers', workmens', warehousemens', repairmens', landlords' or other similar liens arising or incurred in the ordinary course of business with respect to obligations that are not overdue;
- (c) rights of upper and lower riparian owners in and to the waters of any creek or stream which bounds or traverses the Property, free from increase, decrease or pollution;
- (d) the rights of the lessee under the Ground Lease;
- (e) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to adjustment as herein provided;
- (f) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property; and
- (g) matters that would be disclosed by a true and accurate survey.

Section 2.2 Conveyance of Title. At Closing, Seller shall convey and transfer to Purchaser title to the Real Property, subject to the Permitted Exceptions, by execution and delivery of the Deed (as defined below). Evidence of delivery of such title shall be the issuance by Commercial Title Agency, L.L.C. ("Title Company"), as agent for First American Title Insurance Company or another national title company of an Owner's Policy of Title Insurance (the "Title Policy") covering the Real Property, in the full amount of the Purchase Price, subject only to the Permitted Exceptions.

ARTICLE III

REVIEW OF PROPERTY

Section 3.1 Right of Inspection.

(a) While this Agreement is in effect, Purchaser shall have the right to make a physical inspection of the Real Property, including an inspection of the environmental condition thereof pursuant to the terms and conditions of this Agreement, and to examine at the Property documents and files located at the Property concerning the maintenance and operation of the Property (including without limitation, copies of permits, licenses, certificates of occupancy, plans and specifications, and insurance certificates related to the Property, to the extent in Seller's possession), but excluding Seller's corporate records, internal memoranda, financial projections, budgets, appraisals, accounting and tax records and similar proprietary, confidential or privileged information (collectively, the "Confidential Documents").

(b) Purchaser understands and agrees that any on-site inspections of the Property shall occur at reasonable times agreed upon by Seller and Purchaser after reasonable prior written notice to Seller. Seller reserves the right to have a representative present during any such inspections. If Purchaser desires to do any invasive testing at the Property, including without limitation a Phase II environmental study or testing which would otherwise damage or disturb any portion of the Property, Purchaser shall do so only after notifying Seller and obtaining Seller's prior written consent thereto, which consent may be granted or withheld in Seller's sole discretion and which consent, if granted, may be subject to any terms and conditions imposed by Seller in its sole discretion, including without limitation, providing Seller with

evidence of insurance in form and substance satisfactory to Seller and the prompt restoration of the Property to its condition prior to any such inspections or tests, at Purchaser's sole cost and expense. In no event shall Purchaser provide any governmental entity or agency with information concerning the environmental condition of the Property without obtaining Seller's prior written consent thereto, which Seller agrees to provide in the event that Purchaser is required by applicable law to provide such information to a governmental entity or agency. At Seller's option, Purchaser will furnish to Seller copies of any reports received by Purchaser relating to any inspections of the Property, at no cost to Seller. Purchaser agrees to protect, indemnify, defend and hold Seller harmless from and against any claim for liabilities, losses, costs, expenses (including reasonable attorneys' fees), damages or injuries arising out of or resulting from the inspection of the Property by Purchaser or its agents or consultants, and notwithstanding anything to the contrary in this Agreement, such obligation to indemnify and hold harmless Seller shall survive Closing or any termination of this Agreement.

(c) Prior to entering upon the Property, Purchaser shall (or shall cause its agents, representatives and contractors to) maintain (i) commercial general liability insurance on an occurrence basis, including contractual liability coverage (designating the indemnity provisions of Section 3.1(b) of this Agreement) and broad form property damage endorsement coverage, providing that Purchaser is the named insured and that Seller is named as an additional insured, and providing liability limits of not less than \$2,000,000 combined single limit per occurrence with respect to bodily and personal injury, death and property damage and \$10,000,000 in the aggregate, (ii) workmen's compensation insurance at statutory limits, (iii) employer's liability insurance in an amount not less than \$1,000,000, and (iv) professional liability insurance of not less than \$1,000,000 for any of Purchaser's consultants who conduct environmental inspections of the Property. Purchaser shall provide Seller with certificates of insurance in form reasonably satisfactory to Seller which evidences such insurance prior to obtaining access to the Property.

Section 3.2 Diligence Materials. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS OR MAY RECEIVE FROM SELLER COPIES OF CERTAIN DUE DILIGENCE MATERIALS REGARDING THE PROPERTY, AND ANY SUCH DUE DILIGENCE MATERIALS DELIVERED OR TO BE DELIVERED BY SELLER OR ITS AGENTS OR CONSULTANTS TO PURCHASER ARE BEING MADE AVAILABLE SOLELY AS AN ACCOMMODATION TO PURCHASER AND MAY NOT BE RELIED UPON BY PURCHASER IN CONNECTION WITH THE PURCHASE OF THE PROPERTY. PURCHASER AGREES THAT SELLER SHALL HAVE NO LIABILITY OR OBLIGATION WHATSOEVER FOR ANY INACCURACY IN OR OMISSION FROM ANY DUE DILIGENCE MATERIALS. PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE INSPECTION PERIOD, ITS OWN INVESTIGATION OF THE CONDITION OF THE PROPERTY TO THE EXTENT PURCHASER DEEMS SUCH AN INVESTIGATION TO BE NECESSARY OR APPROPRIATE.

Section 3.3 Post-Closing License.

(a) In consideration of the sale of the Property to Purchaser, after the Closing, Purchaser does hereby grant Seller and its affiliates, employees and invitees, an exclusive, temporary, irrevocable license (the "License") to occupy not more than 3,000 square feet of office space within the hospital building on the Property, in a location determined by Purchaser and reasonably acceptable to Seller (subject to Purchaser's right to relocate Seller to a reasonably equivalent space in the hospital building on the Property in Purchaser's reasonable discretion, upon reasonable advance written notice to Seller) in connection with the winding down of the operations of Seller.

(b) The License shall be free of charge to Seller and shall automatically expire on the date that is twelve (12) months after the Closing.

(c) The provisions of this Section 3.3 shall survive the Closing.

ARTICLE IV

CLOSING

Section 4.1 Time and Place.

(a) The Closing shall occur within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Sections 4.6 and 4.7, or on such other date as the Parties may agree. The Closing shall take place at such place as the Parties may agree.

(b) At the Closing, Seller and Purchaser shall perform the obligations set forth in, respectively, Section 4.2 and Section 4.3 hereof, the performance of which obligations shall be concurrent conditions; provided that the Deed shall not be recorded until Seller receives confirmation that Seller has received the full amount of the Purchase Price, adjusted by prorations as set forth herein.

(c) At Seller's option, the Closing shall be consummated through an escrow administered by the Escrow Agent pursuant to additional escrow instructions that are consistent with this Agreement. In such event, the Purchase Price and all documents shall be deposited with such Escrow Agent as escrowee.

Section 4.2 Seller's Obligations at Closing. At Closing, Seller shall:

(a) deliver to Purchaser a duly executed quitclaim deed (the "Deed") conveying the Land and Improvements, subject only to the Permitted Exceptions;

(b) deliver to Purchaser a duly executed bill of sale (the "Bill of Sale") conveying the Personal Property without warranty of title or use and without warranty, express or implied, as to merchantability and fitness for any purpose;

(c) assign to Purchaser, and Purchaser shall assume, the lessor's interest in and to the Ground Lease by duly executed assignment and assumption agreement (the "Assignment of Ground Lease") pursuant to which Purchaser shall indemnify Seller and hold Seller harmless from and against any and all claims pertaining thereto arising from and after the Closing;

(d) to the extent assignable, assign to Purchaser, and Purchaser shall assume, Seller's interest in the Intangibles by duly executed assignment and assumption agreement (the "Assignment of Intangibles") pursuant to which Purchaser shall indemnify Seller and hold Seller harmless from and against any and all claims pertaining thereto arising from and after the Closing;

(e) join with Purchaser to execute a notice (the "Ground Lease Notice"), which Purchaser shall send to the lessee under the Ground Lease promptly after the Closing, informing such lessee of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, the Ground Lease;

(f) In the event that any representation or warranty of Seller needs to be modified due to changes since the Effective Date, deliver to Purchaser a certificate, dated as of the date of Closing and executed on behalf of Seller by a duly authorized officer thereof, identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and is expressly permitted under the terms of this Agreement, or (ii) occurs between the Effective Date and the date of the Closing and is beyond the reasonable control of Seller to prevent; if, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(g) deliver to Purchaser such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(h) deliver to Purchaser a certificate duly executed by Seller stating that Seller is not a "foreign person" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980;

(i) deliver such affidavits as may be customarily and reasonably required by the Title Company, in a form reasonably acceptable to Seller;

(j) deliver to Purchaser possession and occupancy of the Property, subject to the Permitted Exceptions; and

(k) execute a closing statement acceptable to Seller.

Section 4.3 Purchaser's Obligations at Closing. At Closing, Purchaser shall:

(a) pay to Seller the full amount of the Purchase Price (which amount shall include the Deposit), as increased or decreased by prorations and adjustments as herein provided, in immediately available wire transferred funds;

(b) join Seller in execution of the Assignment of Ground Lease, Assignment of Intangibles, and the Ground Lease Notice;

(c) In the event that any representation or warranty of Purchaser needs to be modified due to changes since the Effective Date, deliver to Seller a certificate, dated as of the date of Closing and executed on behalf of Purchaser by a duly authorized representative thereof, identifying any such representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Purchaser be liable to Seller for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and is expressly permitted under the terms of this Agreement, or (ii) occurs between the Effective Date and the date of the Closing and is beyond the reasonable control of Purchaser to prevent; if, despite changes or other matters described in such certificate, the Closing occurs, Purchaser's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(d) deliver to Seller such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(e) deliver such affidavits as may be customarily and reasonably required by the Title Company, in a form reasonably acceptable to Purchaser;

(f) execute a closing statement acceptable to Purchaser; and

(g) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

Section 4.4 Credits and Prorations.

(a) All income and expenses of the Property shall be apportioned as of 12:01 a.m., on the day of Closing, as if Purchaser were vested with title to the Property during the entire day upon which Closing occurs. Subject to the provisions of this Section 4.4, such prorated items shall include without limitation the following: (i) Additional Rent (as defined in the Ground Lease); (ii) taxes and assessments (including personal property taxes on the Personal Property) levied against the Property; (iii) utility charges for which Seller is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing or, if unmetered, on the basis of a current bill for each such utility; and (iv) any other operating expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in the parish in which the Property is located.

(b) Notwithstanding anything contained in Section 4.4(a) hereof:

(i) Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments due and payable during the year of Closing have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves within thirty (30) days after such amounts are determined following Closing but in any event by June 30, 2018;

(ii) Charges referred to in Section 4.4(a) hereof which are payable by any lessee to a third party shall not be apportioned hereunder, and Purchaser shall accept title subject to any of such charges unpaid and Purchaser shall look solely to the lessee responsible therefor for the payment of the same. If Seller shall have paid any of such charges on behalf of any lessee, and shall not have been reimbursed therefor by the time of Closing, Purchaser shall credit to Seller an amount equal to all such charges so paid by Seller;

(iii) As to utility charges referred to in Section 4.4(a)(iii) hereof, Seller may on notice to Purchaser elect to pay one or more or all of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent Seller so elects, such item shall not be apportioned hereunder, and Seller's obligation to pay such item directly in such case shall survive the Closing or any termination of this Agreement; and

(iv) Seller and Purchaser acknowledge and agree that the lessee under the Ground Lease paid base rent ("Base Rent") for the entire initial Term (as defined in the Ground Lease) prior

to the Effective Date and that such Base Rent shall not be prorated between Seller and Purchaser but shall be retained by Seller in its entirety. To the extent that there is any unpaid Additional Rent (as defined in the Ground Lease) collected by Seller and Purchaser after the date of Closing, such Additional Rent shall be delivered as follows: (a) if Seller collects any unpaid Additional Rent, Seller shall, within fifteen (15) days after the receipt thereof, deliver to Purchaser any such Additional Rent which Purchaser is entitled to hereunder relating to the date of Closing and any period thereafter, and (b) if Purchaser collects any unpaid Additional Rent from the Property, Purchaser shall, within fifteen (15) days after the receipt thereof, deliver to Seller any such Additional Rent which Seller is entitled to hereunder relating to the period prior to the date of Closing. Purchaser will make a good faith effort after Closing to collect all Additional Rent in the usual course of Purchaser's operation of the Property. In the event that there shall be any Additional Rent or other charges under the Ground Lease which, although relating to a period prior to Closing, do not become due and payable until after Closing or are paid prior to Closing but are subject to adjustment after Closing, then any Additional Rent or charges of such type received by Purchaser or its agents or Seller or its agents subsequent to Closing shall, to the extent applicable to a period extending through the Closing, be prorated between Seller and Purchaser as of Closing and Seller's portion thereof shall be remitted promptly to Seller by Purchaser.

(c) The provisions of this Section 4.4 shall survive Closing.

Section 4.5 Transaction Taxes and Closing Costs.

(a) Seller and Purchaser shall execute such returns, questionnaires and other documents as shall be required with regard to all applicable real property transaction taxes imposed by applicable federal, state or local law or ordinance.

(b) Seller shall pay the fees of any counsel representing Seller in connection with this transaction.

(c) Purchaser shall pay the fees of any counsel representing Purchaser in connection with this transaction. Purchaser shall also pay the following costs and expenses:

(i) the escrow fee, if any, which may be charged by Escrow Agent;

(ii) the fee for the title examination and the Title Commitment and the premium for the Owner's Policy of Title Insurance to be issued to Purchaser by the Title Company at Closing, and all endorsements thereto;

(iii) any transfer tax, sales tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property from Seller to Purchaser; and

(iv) the fees for recording the Deed.

(d) The Personal Property is included in this sale without charge, except that Purchaser shall pay to Seller the amount of any and all sales or similar taxes payable in connection with the transfer of the Personal Property and Purchaser shall execute and deliver any tax returns required of it in connection therewith;

(e) All costs and expenses incident to this transaction and the closing thereof, and not specifically described above, shall be paid by the party incurring same; and

(f) The provisions of this Section 4.5 shall survive the Closing.

Section 4.6 Conditions Precedent to Obligations of Purchaser.

(a) The obligations of Purchaser to consummate the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(i) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.2 hereof;

(ii) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement);

(iii) Purchaser shall have been able to obtain at its expense a commitment for a title insurance policy or policies in form and substance reasonably satisfactory to Purchaser ensuring Purchaser that at the Closing it shall acquire good, marketable and insurable title to the Real Property, subject only to the Permitted Exceptions;

(iv) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing; and

(v) (A) the Bankruptcy Court shall have entered the Sale Order (as defined below), and (B) as of the Closing Date, the Sale Order shall be in full force and effect, shall not then be stayed, and shall not have been vacated, reversed, modified or amended without Purchaser's prior written consent (which may be given or withheld in the sole discretion of Purchaser).

(b) If any of the conditions precedent set forth in Section 4.6(a) is not satisfied or waived in writing by Purchaser, then Purchaser may (i) terminate this Agreement, in which event the Escrow Agent shall return the Deposit to Purchaser (less the escrow fee, if any, which may be charged by Escrow Agent, which shall be retained by the Escrow Agent), this Agreement shall forthwith become void and there shall be no liability on the part of any Party, any Affiliate of such Party, or the officers or directors of any Party; provided, however, the provisions of this Agreement which, by their terms, expressly survive the termination of this Agreement all shall survive the termination; or (ii) close without regard to the failure of such condition. The foregoing election is not intended to be in derogation of, but shall be in addition to, Purchaser's remedies as a result of a Seller Terminating Breach (as defined below).

Section 4.7 Conditions Precedent to Obligations of Seller.

(a) The obligations of Seller to consummate the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(i) Seller shall have received the Purchase Price as adjusted as provided herein, pursuant to and payable in the manner provided for in this Agreement;

(ii) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3 hereof;

(iii) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement);

(iv) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing; and

(v) (A) the Bankruptcy Court shall have entered the Sale Order, and (B) as of the Closing Date, the Sale Order shall be in full force and effect, shall not then be stayed, and shall not have been vacated, reversed, modified or amended without Seller's prior written consent (which may be given or withheld in the sole discretion of Seller).

(b) If any of the conditions precedent set forth in Section 4.7(a) is not satisfied or waived in writing by Seller, then Seller may (i) terminate this Agreement, in which event the Escrow Agent shall return the Deposit to Purchaser (less the escrow fee, if any, which may be charged by Escrow Agent, which shall be retained by the Escrow Agent), this Agreement shall forthwith become void and there shall be no liability on the part of any Party, any Affiliate of such Party, or the officers or directors of any Party; provided, however, the provisions of this Agreement which, by their terms, expressly survive the termination of this Agreement all shall survive the termination; or (ii) close without regard to the failure of such condition. The foregoing election is not intended to be in derogation of, but shall be in addition to, Seller's remedies as a result of a Purchaser Terminating Breach (as defined below).

Section 4.8 No Financing Contingency. Purchaser acknowledges and agrees that this Agreement and Purchaser's obligations under this Agreement are not contingent or conditioned upon obtaining a commitment for or closing any financing, and the failure of Purchaser to obtain or close any financing for any reason whatsoever shall not be a failure of condition to Purchaser's performance under this Agreement.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Purchaser as of the Effective Date, which representations and warranties shall be deemed to have been made again as of the Closing, subject to Section 4.2(f) hereof:

(a) Organization. Seller has been duly organized and is validly existing under the laws of the State of North Carolina. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property and to consummate or cause to be consummated the transaction contemplated by this Agreement. The person signing this Agreement on behalf of Seller is authorized to do so.

(b) Authority. Subject to entry of the Sale Order in the Bankruptcy Case and other approvals by any governmental entity or agency required by applicable local, state and federal laws, ordinances or governmental regulations, Seller has full power and authority to execute and deliver this

Agreement and the documents required by this Agreement to which it is a party and to perform the obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the documents required by this Agreement by Seller, and the performance by Seller of its obligations hereunder and thereunder and the consummation of the transactions provided for herein and therein have been duly and validly authorized by all necessary action on the part of Seller. Subject to entry of the Sale Order in the Bankruptcy Case, this Agreement has been, and the documents required by this Agreement shall be as of the Closing Date, duly executed and delivered by Seller and does or shall, as the case may be, constitute the valid and binding agreements of Seller, enforceable against it in accordance with their respective terms.

Section 5.2 No Survival of Seller's Representations and Warranties. The representations and warranties of Seller and the covenants and agreement of Seller that by their terms are to be performed at or prior to Closing, contained in this Agreement or in any certificate or writing delivered in connection herewith, shall be extinguished by and shall not survive the Closing and shall not form the basis for any post-Closing claims or causes of action.

Section 5.3 Covenants of Seller. Seller hereby covenants with Purchaser as follows:

(a) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall use reasonable efforts to operate and maintain the Property in a manner generally consistent with the manner in which Seller has operated and maintained the Property prior to the date hereof; provided, however, in no event shall Seller be required to undertake any capital improvement projects at the Property.

(b) A copy of any amendment, renewal or expansion of the Ground Lease which Seller wishes to execute between the Effective Date and the date of Closing will be submitted to Purchaser prior to execution by Seller. Purchaser agrees to notify Seller in writing within five (5) Business Days after its receipt thereof of either its approval or disapproval thereof. For any such amendment, Purchaser's approval thereof shall not be unreasonably withheld, conditioned or delayed. In the event Purchaser fails to notify Seller in writing of its approval or disapproval within the five (5) Business Day period set forth above, Purchaser shall be deemed to have approved such amendment.

(c) Prior to Closing, Seller (or the Title Company or Escrow Agent through the escrow at Closing) shall have paid any and all ad valorem real estate taxes and assessments with respect to the Property that are due or past due and shall have provided Purchaser with sufficient documentation reasonably acceptable to Purchaser to evidence the payment.

Section 5.4 Representations and Warranties of Purchaser. Purchaser hereby makes the following representations and warranties to Seller as of the Effective Date, which representations and warranties shall be deemed to have been made again as of the Closing, subject to Section 4.3(c) hereof:

(a) Organization. Purchaser has been duly organized and is validly existing under the laws of the State of Louisiana. Purchaser has the full right and authority to enter into this Agreement and to consummate or cause to be consummated the transaction contemplated by this Agreement. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) Authority. Subject to entry of the Sale Order in the Bankruptcy Case and other approvals by any governmental entity or agency required by applicable local, state and federal laws, ordinances or governmental regulations, Purchaser has full power and authority to execute and deliver this

Agreement and the documents required by this Agreement to which it is a party and to perform the obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the documents required by this Agreement by Purchaser, and the performance by Purchaser of its obligations hereunder and thereunder and the consummation of the transactions provided for herein and therein have been duly and validly authorized by all necessary action on the part of Purchaser. Subject to entry of the Sale Order in the Bankruptcy Case, this Agreement has been, and the documents required by this Agreement shall be as of the Closing Date, duly executed and delivered by Purchaser and does or shall, as the case may be, constitute the valid and binding agreements of Purchaser, enforceable against it in accordance with their respective terms.

(c) Ability to Perform. Purchaser has the financial wherewithal necessary to consummate this transaction and to obtain any and all necessary regulatory approvals.

Section 5.5 Survival of Purchaser's Representations and Warranties. The representations and warranties of Purchaser set forth in Section 5.5 hereof as updated as of the Closing in accordance with the terms of this Agreement, shall not survive Closing.

ARTICLE VI

TERMINATION

Section 6.1 Termination. This Agreement may be terminated:

- (a) in writing by mutual consent of the Parties;
- (b) by written notice from Seller to Purchaser, in the event Purchaser (i) fails to perform in any material respect any of its agreements contained herein required to be performed by it at or prior to the Closing or (ii) breaches any of its representations and warranties contained herein such that any such breach would result in a failure of the condition in Section 4.7(a)(iii), which failure or breach is not cured within ten (10) days following Seller having notified Purchaser of its intent to terminate this Agreement pursuant to this Section 6.1(b) (in either case, a "Purchaser Terminating Breach"), provided, however, that Seller shall have no right to terminate this Agreement pursuant to this Section 6.1(b) if there is an uncured Seller Terminating Breach (as defined below) at the time of the Purchaser Terminating Breach;
- (c) by written notice from Purchaser to Seller, in the event any Seller (i) fails to perform in any material respect any of its agreements contained herein required to be performed by it at or prior to the Closing or (ii) breaches any of its representations and warranties contained herein such that any such breach would result in a failure of the condition in Section 4.6(a)(ii), which failure or breach is not cured within ten (10) days following Purchaser having notified Seller of its intent to terminate this Agreement pursuant to this Section 6.1(c) (in either case, a "Seller Terminating Breach"), provided, however, that Purchaser shall have no right to terminate this Agreement pursuant to this Section 6.1(c) if there is an uncured Purchaser Terminating Breach at the time of the Seller Terminating Breach;
- (d) by written notice by Seller to Purchaser or Purchaser to Seller, as the case may be, in the event the Closing has not occurred on or prior to June 30, 2017 (the "Expiration Date") for any reason other than delay, breach or nonperformance of the Party seeking such termination;
- (e) by written notice from the Purchaser to Seller, if any Bankruptcy Case is converted to a case or cases under Chapter 7 of the Bankruptcy Code;

(f) by written notice from the Purchaser to Seller, if (i) the Sale Order shall not have been entered by the Bankruptcy Court on or before May 31, 2017, or (ii) following its entry, the Sale Order (A) shall fail to be in full force and effect or shall have been vacated, stayed or reversed, or (B) shall have been modified or amended in any respect without the prior written consent of the Purchaser;

(g) by written notice from the Purchaser to Seller, if Seller files a plan of reorganization or liquidation that does not provide for the consummation of the transactions contemplated by this Agreement; or

(h) by written notice from Purchaser to Seller under the circumstances described in Article VII.

Section 6.2 Effect of Termination. In the event of termination of this Agreement pursuant to this Article VI, this Agreement shall forthwith become void and there shall be no liability on the part of any Party, any Affiliate of such Party, or the officers or directors of any Party; provided, however, the provisions of this Agreement which, by their terms, expressly survive the termination of this Agreement all shall survive the termination. Notwithstanding the foregoing, except as provided in Section 6.3, nothing contained herein shall relieve any Party from liability for any breach of this Agreement.

Section 6.3 Seller's Termination due to Purchaser Terminating Breach. In the event that this Agreement is terminated by Seller pursuant to Section 6.1(b), then Seller may terminate this Agreement and receive from Escrow Agent the Deposit as the Seller's liquidated damages.

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF PURCHASER'S FAILURE TO COMPLETE THE PURCHASE OF THE ASSETS PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER AND ITS AFFILIATES WOULD INCUR AS A RESULT OF SUCH FAILURE. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. EACH PARTY HEREBY AGREES TO WAIVE ANY AND ALL RIGHTS WHATSOEVER TO CONTEST THE VALIDITY OF THE LIQUIDATED DAMAGE PROVISIONS FOR ANY REASON WHATSOEVER, INCLUDING THAT SUCH PROVISION WAS UNREASONABLE UNDER CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT WAS MADE.

Section 6.4 Purchaser's Termination due to Seller Terminating Breach. In the event that this Agreement is terminated by Purchaser pursuant to Section 6.1(c), then Purchaser may terminate this Agreement, receive from Escrow Agent the Deposit, and receive from Seller the Expense Reimbursement.

Section 6.5 Termination for Certain other Matters. In the event that this Agreement is terminated pursuant to Section 6.1(d), (e), (f) or (g), then the Escrow Agent shall return the Deposit to Purchaser (less the escrow fee, if any, which may be charged by Escrow Agent, which shall be retained by the Escrow Agent), this Agreement shall forthwith become void and there shall be no liability on the part of any Party, any Affiliate of such Party, or the officers or directors of any Party; provided, however, the provisions of this Agreement which, by their terms, expressly survive the termination of this Agreement all shall survive the termination.

ARTICLE VII

RISK OF LOSS

Section 7.1 Minor Damage or Condemnation. In the event of loss or damage to, or condemnation of, the Property or any portion thereof which is not “Major” (as hereinafter defined), this Agreement shall remain in full force and effect provided that Seller shall, at Seller’s option, either (a) perform any necessary repairs, or (b) assign to Purchaser, without representation, warranty or recourse to Seller, all of Seller’s right, title and interest in and to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, after deduction of Seller’s expenses of collection and amounts expended by Seller in Seller’s reasonable discretion to prevent further damage to the Property or to alleviate unsafe conditions at the Property caused by casualty or condemnation. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the date of Closing shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the lesser of the deductible amount under Seller’s insurance policy or the cost of such repairs as determined in accordance with Section 7.3 hereof. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

Section 7.2 Major Damage. In the event of a “Major” loss or damage to, or condemnation of, the Property or any portion thereof, either Seller or Purchaser may terminate this Agreement by written notice to the other party, in which event the Deposit shall be returned to Purchaser. If neither Seller nor Purchaser elects to terminate this Agreement within ten (10) days after Seller sends Purchaser written notice of the occurrence of such Major loss, damage or condemnation (which notice shall state the cost of repair or restoration thereof as opined by a contractor in accordance with Section 7.3 hereof), then Seller and Purchaser shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller’s option, either (a) perform any necessary repairs, or (b) assign to Purchaser, without representation, warranty or recourse to Seller, all of Seller’s right, title and interest in and to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, after deduction of Seller’s expenses of collection and amounts expended by Seller in Seller’s reasonable discretion to prevent further damage to the Property or to alleviate unsafe conditions at the Property caused by casualty or condemnation. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the date of Closing shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the lesser of the deductible amount under Seller’s insurance policy or the cost of such repairs as determined in accordance with Section 7.3 hereof. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

Section 7.3 Definition of “Major” Loss or Damage. For purposes of Sections 7.1 and 7.2, “Major” loss, damage or condemnation refers to the following: (a) loss or damage to the Property hereof such that the cost of repairing or restoring the premises in question to substantially the same condition which existed prior to the event of damage would be, in the opinion of a contractor selected by Seller and reasonably approved by Purchaser, equal to or greater than the amount that is ten percent (10%) of the Purchase Price, and (b) any loss due to a condemnation which permanently and materially impairs the use of the Property as a hospital. If Purchaser does not give written notice to Seller of Purchaser’s reasons for disapproving a contractor within five (5) Business Days after receipt of notice of the proposed contractor, Purchaser shall be deemed to have approved the contractor selected by Seller.

ARTICLE VIII

BANKRUPTCY COURT MATTERS

Section 8.1 Sale Order.

(a) Seller shall use its best efforts to have the Bankruptcy Court issue and enter an order with respect to the sale of the Property pursuant to Sections 105, 363 and 365 of the Bankruptcy Code (the “Sale Order”) as soon as practicable following the Effective Date. Each of the Parties shall use its commercially reasonable efforts to cooperate, assist and consult with each other to obtain the issuance and entry of the Sale Order, including furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court.

(b) The Sale Order shall provide, among other things, that pursuant to Sections 105, 363 and 365 of the Bankruptcy Code: (i) this Agreement and the transactions contemplated hereby are approved; (ii) Purchaser shall have and acquire at the Closing good, valid and marketable title to the Property, free and clear of any and all liens and interests under section 363(f) of the Bankruptcy Code (except for the Permitted Exceptions); (iii) the Seller shall assume and assign to Purchaser the Ground Lease as of the Closing Date; (iv) Purchaser shall be found to be a “good faith” purchaser within the meaning of Section 363(m) of the Bankruptcy Code; and (v) the Bankruptcy Court shall waive any stay that would otherwise be applicable to the immediate effectiveness of the Sale Order pursuant to Bankruptcy Rules 6004(g) and 6006(d).

(c) The motion for the Sale Order and/or to approve sale and bid procedures in connection therewith shall provide for the solicitation and acceptance of competing bids for the purchase of the Property and include, as part of the bidding procedures that allow for an initial overbid amount of Five Hundred Thousand Dollars (\$500,000.00) and, thereafter, additional bid increments of One Hundred Thousand Dollars (\$100,000.00).

Section 8.2 Notice. Unless otherwise ordered by the Bankruptcy Court, the Seller shall provide timely written notice of this Agreement to: (a) the Office of the United States Trustee for the Eastern District of Louisiana; (b) the lessee under the Ground Lease; (c) the Internal Revenue Service and all taxing authorities in each jurisdiction applicable to any Seller; (d) the “Master Service List” established in the Bankruptcy Case; and (e) any other Persons required by the Bankruptcy Court, requested by the Purchaser, or otherwise required by any applicable law.

Section 8.3 Breakup Fee.

(a) Upon the occurrence of a Compensable Termination Event (as defined below) described in Section 8.3(b)(i), Purchaser shall be entitled, in consideration of its rights under this Agreement, to payment of a break-up fee (not dependent on amounts actually extended or incurred by Purchaser) in cash or other immediately available funds in the amount of two percent (2%) of the Purchase Price (the “Breakup Fee”). The Breakup Fee shall be paid to Purchaser concurrently with the occurrence of the Compensable Termination Event described in Section 8.3(b)(i) from proceeds from the closing of a transaction involving a sale, refinancing or reorganization of all or substantially all of the Property. The Breakup Fee shall be subject to and conditioned on a separate request for approval by the Bankruptcy Court which shall be made promptly upon execution of this Agreement.

(b) A “Compensable Termination Event” shall have occurred if Purchaser is not in material breach of the Agreement and (i) the Bankruptcy Court approves the sale of the Property to a party other than Purchaser, (ii) Seller commits a breach of the Agreement, or (iii) Seller modifies the Sale Order in a manner that is adverse to Purchaser.

Section 8.4 Expense Reimbursement. In connection with the execution of this Agreement, Purchaser and Seller agree that if the Closing occurs, or upon the occurrence of a Compensable Termination Event, Purchaser shall be entitled to the reimbursement of all reasonable out of pocket costs and expenses (including attorneys’ fees and expenses) incurred by Purchaser in connection with the negotiation, execution and delivery of the Agreement up to an aggregate amount of Fifty Thousand Dollars (\$50,000.00) (the “Expense Reimbursement”), it being recognized that the Breakup Fee shall be separate from the Expense Reimbursement. The Expense Reimbursement shall constitute a reimbursement of expenses incurred by Purchaser and shall be paid to Purchaser (i) by Seller at Closing, if Closing occurs, or (ii) concurrently with the occurrence of a Compensable Termination Event from proceeds from the closing of a transaction involving a sale, refinancing or reorganization of all or substantially all of the Property. The Expense Reimbursement shall be subject to and conditioned on a separate request for approval by the Bankruptcy Court which shall be made promptly upon execution of this Agreement.

ARTICLE IX

DISCLAIMERS AND WAIVERS

Section 9.1 No Reliance on Documents. Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered or given by Seller or its brokers or agents to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that all materials, data and information delivered or given by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser. Neither Seller, nor any Affiliate of Seller, nor the person or entity which prepared any report or reports delivered by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such reports.

Section 9.2 AS-IS SALE; DISCLAIMERS. IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO THE PHYSICAL, STRUCTURAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR ITS COMPLIANCE WITH LAWS.

PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY “AS IS, WHERE IS, WITH ALL FAULTS”. PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO MADE OR FURNISHED BY SELLER OR ANY AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING. PURCHASER ALSO

ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD “AS-IS.”

PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER’S INVESTIGATIONS, AND PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER’S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS’ FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER’S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF THE PHYSICAL AND ENVIRONMENTAL CONDITIONS OF THE LAND OR IMPROVEMENTS, ANY LATENT OR PATENT CONSTRUCTION DEFECTS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY.

Section 9.3 Survival of Disclaimers. The provisions of this Article IX shall survive Closing or any termination of this Agreement.

ARTICLE X

MISCELLANEOUS

Section 10.1 Confidentiality. Subject to the requirements of applicable local, state and federal laws, ordinances or governmental regulations, including the Bankruptcy Code, related rules of procedure, and orders of the Bankruptcy Court, Purchaser and its representatives shall hold in strictest confidence all data and information obtained with respect to Seller or its business, whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others; provided, however, that it is understood and agreed that Purchaser may disclose such data and information to the employees, lenders, consultants, accountants and attorneys of Purchaser provided that such persons agree in writing to treat such data and information confidentially. In the event this Agreement is terminated or Purchaser fails to perform hereunder, Purchaser shall promptly return to Seller any statements, documents, schedules, exhibits or other written information obtained from Seller in connection with this Agreement or the transaction contemplated herein. In the event of a breach or threatened breach by Purchaser or its agents or representatives of this Section 10.1, Seller shall be entitled to an injunction restraining Purchaser or its agents or representatives from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting Seller from pursuing any other available remedy at law or in equity for

such breach or threatened breach. The provisions of this Section 10.1 shall survive Closing or any termination of this Agreement. Consistent with the preceding, the parties recognize and agree that this Agreement shall be filed with the Bankruptcy Court in a public document.

Section 10.2 Public Disclosure. Prior to and for a period of three (3) months after the Closing, any press release or other public disclosure of information with respect to the sale contemplated herein or any matters set forth in this Agreement made or released by or on behalf of Purchaser shall be subject to Seller's prior approval (except for press releases of Purchaser in the regular course of business that are not related specifically to Seller). Seller and the Affiliates of Seller shall have the right without Purchaser's consent, to make prior to and after the Closing press releases and other public disclosures with respect to the sale contemplated herein and matters set forth in this Agreement. The provisions of this Section 10.2 shall survive the Closing or any termination of this Agreement.

Section 10.3 Assignment. No assignment or transfer by any Party of such Party's rights and obligations hereunder shall be made except with the prior written consent of the other Party; provided that Purchaser shall, without the obligation to obtain the prior written consent of Seller, be entitled to assign this Agreement or all or any part of its rights or obligations hereunder to one or more Affiliates of Purchaser. "Affiliate" means any entity directly or indirectly controlling or controlled by or under direct or indirect common control with a specified individual or entity. In such event, Purchaser shall remain liable for all obligations set forth herein. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.

Section 10.4 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) reputable overnight delivery service with proof of delivery, (b) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (c) a .PDF attachment to an electronic mail message sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given upon receipt or refusal to accept delivery, or, in the case of electronic mail transmission, as of the date of electronic mail transmission provided that an original of such electronic mail transmission is also sent to the intended addressee by means described in clauses (a) or (b). Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller: Louisiana Medical Center and Heart Hospital, LLC
64030 Highway 434
Lacombe, Louisiana 70445
Attention: Neil Luria
Email Address: nluria@soliccapi.com

with a copy to: Alston & Bird LLP
1201 W. Peachtree Street
Atlanta, Georgia 30309
Attention: Grant T. Stein, Esq.
Sage M. Sigler, Esq.
Jason W. Howard, Esq.
Email Address: grant.stein@alston.com
sage.sigler@alston.com
jason.howard@alston.com

If to Purchaser: STIRLING MEDICAL LACOMBE, L.L.C.
Attn: Townsend Underhill
109 Northpark Blvd., Suite 300
Covington, Louisiana 70433
Email: tunderhill@stirlingprop.com

with a copy to: Fishman Haygood, L.L.P.
201 St. Charles Avenue, 46th Floor
New Orleans, Louisiana 70170-4600
Attention: Steven C. Serio, Esq.
Email: sserio@fishmanhaygood.com

Section 10.5 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

Section 10.6 Entire Agreement. This Agreement, including the exhibits and schedules hereto, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter, other than any confidentiality agreement executed by Purchaser in connection with the Property.

Section 10.7 Further Assurances. Each party agrees that it will execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate the transaction contemplated by this Agreement. The provisions of this Section 10.7 shall survive Closing.

Section 10.8 Counterparts. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Section 10.9 Facsimile or .PDF Signatures. In order to expedite the transaction contemplated herein, telecopied or .PDF signatures may be used in place of original signatures on this Agreement. Seller and Purchaser intend to be bound by the signatures on the telecopied or .PDF document, are aware that the other party will rely on the telecopied or .PDF signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

Section 10.10 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any party hereunder.

Section 10.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana. Purchaser and Seller agree that the provisions of this Section 10.11 shall survive the Closing or any termination of this Agreement.

Section 10.12 No Third-Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

Section 10.13 Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

Section 10.14 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

Section 10.15 Recordation. This Agreement may not be recorded by any party hereto without the prior written consent of the other party hereto. The provisions of this Section 10.15 shall survive the Closing or any termination of this Agreement.

Section 10.16 Consent to Jurisdiction. Each Party hereby irrevocably agrees that any action, suit or proceeding between or among the Parties and their respective Affiliates arising in connection with any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or any related document (a "Legal Dispute") shall be brought only to the exclusive jurisdiction of the United States District Court for the Eastern District of Louisiana, except that the Twenty-Second Judicial District Court, State of Louisiana shall have exclusive jurisdiction in such cases that the United States District Court for the Eastern District of Louisiana does not have subject matter jurisdiction over the Legal Dispute. Each Party hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that they any such suit, action or proceeding that is brought in any such court has been brought in an inconvenient forum. Each Party hereby waives, and shall not assert as a defense in any Legal Dispute, that (a) such Party is not subject thereto, (b) such action, suit or proceeding may not be brought or is not maintainable in such court, (c) such Party's property is exempt or immune from execution, (d) such action, suit or proceeding is brought in an inconvenient forum or (e) the venue of such action, suit or proceeding is improper. A final judgment in any action, suit or proceeding described in this Section following the expiration of any period permitted for appeal and subject to any stay during appeal shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable local, state and federal laws, ordinances or governmental regulations. Notwithstanding anything to the contrary herein, for so long as the Bankruptcy Case remains pending, the Bankruptcy Court shall have exclusive jurisdiction over all disputes arising under or related to this Agreement.

Section 10.17 Time of the Essence. Time is of the essence of each and every provision hereof. A "Business Day" shall mean any day other than Saturdays, Sundays, and holidays which are observed by banks in New Orleans, Louisiana.

Section 10.18 Attorneys' Fees. The prevailing party in any legal proceeding related to this Agreement shall be entitled to recover the reasonable court costs, litigation expenses and attorneys' fees that it incurs in connection with such legal proceeding from the non-prevailing party therein.


Section 10.19 Brokers. With respect to the transaction contemplated by this Agreement, Seller represents that it has not engaged a broker, and Purchaser represents that it has not engaged a broker. Each party hereto agrees that if any person or entity makes a claim for brokerage commissions or finder's fees related to the sale of the Property by Seller to Purchaser, and such claim is made by, through or on account of any acts or alleged acts of said party or its representatives, said party will protect, indemnify, defend and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense (including reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive Closing or any termination of this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

LOUISIANA MEDICAL CENTER AND HEART HOSPITAL, LLC,
a North Carolina limited liability company

By: 
Name: Neil Lunn
Title: Chief Operating Officer

PURCHASER:

STIRLING MEDICAL LACOMBE, L.L.C.,
a Louisiana limited liability company


By: 
Name: G. Townsend Underhill, IV
Title: Manager

EXHIBIT A

DESCRIPTION OF LAND

Tract 1

A certain parcel of land situated in **SECTIONS 8 AND 17, TOWNSHIP 8 SOUTH, RANGE 13 EAST, ST. TAMMANY PARISH, LOUISIANA**, designated as the Louisiana Heart Hospital Site and more fully described as follows:

Commence at the Section corner common to Sections 7, 8, 17 and 18, Township 8 South, Range 13 East, and measure East, a distance of 2641.00 feet to a point; thence South 00 degrees 59 minutes 07 seconds East a distance of 284.39 feet to the POINT OF BEGINNING.

From the POINT OF BEGINNING continue South 00 degrees 59 minutes 07 seconds East a distance of 986.28 feet to a point on the northerly line of a 30' United Gas Pipeline Co. Servitude; thence along said northerly line, North 59 degrees 18 minutes 11 seconds West, a distance of 1270.98 feet to a point on the proposed easterly right of way line of Louisiana State Highway No. 434; thence along said easterly line, North 30 degrees 54 minutes 01 seconds East, a distance of 1100.35 feet to a point on the southerly line of the Fire Department Site; thence along said southerly line, South 61 degrees 05 minutes 26 seconds East, a distance of 363.00 feet to a point on the easterly line of the Fire Department Site; thence along said easterly line, North 30 degrees 54 minutes 01 seconds East, a distance of 120.07 feet to a point on the southerly line of a 125' CLECO Servitude; thence along said southerly line, South 61 degrees 05 minutes 26 seconds East, a distance of 387.45 feet to a point; thence South 30 degrees 54 minutes 01 seconds West a distance of 404.53 feet to the POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING TWO PARCELS:

Parcel 1 (Medical Office Building-Centex), sold to CC Lacombe, LLC by Sale of Property recorded on September 9, 2003, in CIN 1391009, records of St. Tammany Parish, Louisiana.

One certain portion of ground situated in Sections 8 & 17, Township 8 South, Range 13 East, St. Tammany Parish, State of Louisiana, at the Louisiana Heart Hospital Site, designated as the Medical Office Building Site and being more fully described as follows:

Commence at the corner common to Sections 7, 8, 17 & 18 Township 8 South, Range 13 East, and measure along the line common to Sections 8 & 17, East, a distance of 1942.01 feet to a point on the proposed easterly right of way line of Louisiana State Highway No. 434; thence along said easterly line, North 30 degrees 54 minutes 01 seconds East, a distance of 120.08 feet to a point; thence South 59 degrees 07 minutes 26 seconds East, a distance of 243.09 feet to the POINT OF BEGINNING.

From the POINT OF BEGINNING measure North 30 degrees 52 minutes 34 seconds East, a distance of 42.98 feet to a point; thence South 59 degrees 07 minutes 26 seconds East a distance of 164.92 feet to a point; thence South 30 degrees 52 minutes 34 seconds West a distance of 119.92 feet to a point; thence North 59 degrees 07 minutes 26 seconds West a distance of 49.03 feet to a point; thence South 30 degrees 52 minutes 34 seconds West a distance of 8.38 feet to a point; thence North 59 degrees 07 minutes 26 seconds West a distance of 41.52 feet to a point; thence North 30 degrees 52 minutes 34 seconds East a distance of 8.38 feet to a point; thence North 59 degrees 07 minutes 26 seconds West a distance of 74.37 feet to a point; thence North 30 degrees 52 minutes 34 seconds East a distance of 76.94 feet to the POINT OF BEGINNING.

Said portion of ground contains 0.4620 Acres.

Parcel 2 (Utility Site), sold to Southeastern La. Water and Sewer Co., LLC, by Act of Sale recorded on February 14, 2005, in CIN 1477772, records of St. Tammany Parish, Louisiana, as amended by Amendment and Modification to Act of Sale recorded on February 4, 2010, in CIN 1757385, records of St. Tammany Parish, Louisiana.

A certain parcel of ground situated in Section 17, Township 8 South, Range 13 East, St. Tammany Parish, Louisiana, at the Louisiana Heart Hospital Site, designated as a 0.352 Acre utility site and being more fully described as follows:

Commence at the corner common to Sections 7, 8, 17 and 18, Township 8 South, Range 13 East and measure East, a distance at 1942.01 feet to a point on the proposed easterly right of way line of La. State Highway No. 434, thence leaving said right of way line, measure South 60 degrees 58 minutes 40 seconds East, a distance of 648.01 feet to the POINT OF BEGINNING.

From the POINT OF BEGINNING, measure South 59 degrees 59 minutes 50 seconds East, a distance of 108.02 feet; thence South 30 degrees 11 minutes 49 seconds West, a distance of 141.84 feet; thence North 59 degrees 59 minutes 50 seconds West, a distance of 108.02 feet; thence North 30 degrees 11 minutes 49 seconds East, a distance of 141.84 feet back to the POINT OF BEGINNING.

Said parcel contains 0.352 Acres.

FURTHER LESS AND EXCEPT THE FOLLOWING PARCEL, conveyed to Southeastern Louisiana Water & Sewer Co., L.L.C., by Quitclaim Deed recorded on January 25, 2010, in CIN 1756208, records of St. Tammany Parish, Louisiana.

All that certain parcel of ground situated in Section 17, Township 8 South, Range 13 East, ST. Tammany Parish, Louisiana and being more fully described as follows:

Commence at the corner common to Sections 7, 8, 17 and 18, Township 8 South, Range 13 East and go East, a distance of 1942.01 feet to a point and the proposed right-of-way line of Louisiana State Highway No. 434; thence leaving said right-of-way line go South 60 degrees 58 minutes 40 seconds East, a distance of 648.01 to the POINT OF BEGINNING;

From the POINT OF BEGINNING, run South 59 degrees 59 minutes 50 seconds East for a distance of 138.00 feet; thence run South 30 degrees 11 minutes 49 seconds West, for a distance of 187.00 feet; thence run North 59 degrees 59 minutes 50 seconds West, for a distance of 138.00 feet; thence run North 30 degrees 11 minutes 49 seconds East, for a distance of 187.00 feet back to the POINT OF BEGINNING.

Said parcel of land contains 0.59 acres or 25,805.85 sq. feet more or less.

FURTHER LESS AND EXCEPT THE FOLLOWING PARCEL, leased by Louisiana Heart Hospital, LLC, as Landlord, to LA Heart MOB, L.P., as Tenant, per Memorandum of Ground Lease recorded on July 6, 2007, in CIN 1631429, as modified by Amendment to Notice of Ground Lease between Louisiana Medical Center and Heart Hospital, LLC, as Landlord, and LA Heart MOB, LP, as Tenant, recorded on March 27, 2008, in CIN 1674728, records of St. Tammany Parish, Louisiana:

A portion of a certain 24.42 acre tract of land being situated in Sections 8 & 17, Township 8 South, Range 13 East; St. Tammany Parish, Louisiana and more fully described as follows:

Commencing at a found ½" iron rod at the southeast corner of the aforementioned 24.42 acre tract; thence run along the North line of a 30 foot gas line right-of-way (COB 117, folio 317) North 59 degrees 18 minutes 11 seconds West for a distance of 772.97 feet to a point; thence run North 30 degrees 41 minutes 49 seconds East a distance of 84.53 feet to the POINT OF BEGINNING.

From the POINT OF BEGINNING, run North 59 degrees 18 minutes 11 seconds West for a distance of 218.00 feet to a point; thence run North 30 degrees 41 minutes 49 seconds East for a distance of 104.00 feet to a point; thence run South 59 degrees 18 minutes 11 seconds East for a distance of 218.00 feet to a point; thence run South 30 degrees 41 minutes 49 seconds West for a distance of 104.00 feet back to the Point of Beginning.

Said Tract of land contains 0.52 acres more or less.

Tract 2

THAT CERTAIN SERVITUDE ESTATE for the benefit of Tract 1, created by the Reciprocal Easement and Restrictive Covenants Agreement between Louisiana Heart Hospital, LLC, and CC Lacombe, LLC, recorded on September 9, 2003, in CIN 1391010, records of St. Tammany Parish, Louisiana, affecting the property therein described.

Tract 3

THAT CERTAIN RIGHT OF USE for the benefit of **Tract 1**, created in the Act of Dedication and Donation between Louisiana Heart Hospital, LLC, and The Parish of St. Tammany, recorded on April 22, 2002, in CIN 1298786, records of St. Tammany Parish, Louisiana, affecting the following described property:

A CERTAIN PIECE OR PORTION OF LAND, situated in **Sections 8 and 17, Township 8 South, Range 13 East, St. Tammany Parish, Louisiana**, and more fully described as follows, to-wit:

Commence at the section corner common to Sections 7, 8, 17 and 18, Township 8 South, Range 13 East, and measure East a distance of 2,641.00 feet; thence go South 00 degs. 59 mins. 07 secs. East a distance of 1,270.67 feet; thence go North 59 degs. 18 mins. 11 secs. West a distance of 1,270.98 feet to the POINT OF BEGINNING.

From the POINT OF BEGINNING continue North 59 degs. 18 mins. 11 secs. West a distance of 50.00 feet; thence go North 30 degs. 54 mins. 01 secs. East a distance of 1,218.86 feet; thence go South 61 degs. 05 mins. 26 secs. East a distance of 50.03 feet; thence go South 30 degs. 54 mins. 01 secs. West a distance of 1,220.42 feet back to the POINT OF BEGINNING, and containing 1.40 acres of land, more or less, all as per survey and plat numbered A01-190-1 by Kelly J. McHugh and Associates, Inc. dated 20th July, 2001, last revised 4th March, 2002, a copy of which is recorded as Map File No. 2302, in MIN 1298780, records of St. Tammany Parish.

EXHIBIT B-1

LIST OF EXCLUDED EQUIPMENT AND LEASES

[attached]

Louisiana Heart Hospital
Exhibit B-1
Excluded Leased Equipment

Schedule B-1: Excluded Leased Equipment						
#	Vendor/Manufacturer	Equipment Description	Quantity	Model	Serial # / Item #	Barcode#
1.	US Med-Equip/Philips Respironics	BiPAP	1	Vision	132608	101869
2.	US Med-Equip/Philips Respironics	BiPAP	1	Vision	121607	107651
3.	US Med-Equip/Philips Respironics	BiPAP	1	Vision	104302	118511
4.	US Med-Equip/Philips Respironics	BiPAP	1	Vision	132872	124676
5.	US Med-Equip/Philips Respironics	BiPAP Vision,Stand	1	Stand (N)	N/A	22880
6.	US Med-Equip/GE Medical Systems	Cart, GE Mac 5000/5500 Rolling	1	EKG Cart	N/A	70808
7.	US Med-Equip/GE Medical Systems	Cart, GE Mac 5000/5500 Rolling	1	EKG Cart	N/A	71267
8.	US Med-Equip/GE Medical Systems	Cart, GE Mac 5000/5500 Rolling	1	EKG Cart	N/A	71275
9.	US Med-Equip/GE Medical Systems	Cart, GE Mac 5000/5500 Rolling	1	EKG Cart	N/A	71276
10.	US Med-Equip/GE Medical Systems	Cart, GE Mac 5000/5500 Rolling	1	EKG Cart	N/A	79160
11.	US Med-Equip/GE Medical Systems	Cart, GE Mac 5000/5500 Rolling	1	Stand	N/A	61868
12.	US Med-Equip/Philips Medical Systems	Cart, MAC	1	Rolling Cart	N/A	55470
13.	US Med-Equip/US Med-Equip	Circuit Arm	1	Circuit Arm	NA	48599
14.	US Med-Equip/US Med-Equip	Circuit Arm	1	Circuit Arm	N/A	59465
15.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	J3WT1464P	107812
16.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5500	SCD05471591PA	124559
17.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5500	SCD08313368PA	116090
18.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	E1MP4639MX	103922
19.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5500 HD	SCD05471438PA	107995
20.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	AAAY04180334GA	110872
21.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	AAAY04474042PA	110187
22.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	F2MP8972P	110192
23.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5500	SCD06082601PA	111847
24.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	AAAY04222340PA	111845
25.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5500	SCD07087708PR	122615
26.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	C1MP5238PR	122539
27.	US Med-Equip/GE Medical Systems	EKG Machine	1	Mac 5000	M2WT0643P	113093
28.	US Med-Equip/GE Medical Systems	EKG Machine - Wireless	1	Mac 5500	SCD06072425PA	122777
29.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	11020290PC	108044
30.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	407026PC	121837
31.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	8120369PC	121850
32.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	803208PC	101233
33.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	505054PC	108026
34.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	12110459PC	103032
35.	US Med-Equip/Baxter Healthcare	Infusion Pump Syringe/PCA	1	PCA II	10050600PC	109412
36.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000843517	127375
37.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000840990	127345
38.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	(SN)G00000834576	127347
39.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000901250	127342
40.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000840294	127321
41.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000956999	127325
42.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000833408	127324
43.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000778429	127319
44.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000841156	127348
45.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000877218	127350
46.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000847373	127341
47.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000845969	127318
48.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000842569	127322
49.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000984482	127343
50.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	00000740538	RR11675
51.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000843273	127317
52.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000775136	127344
53.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000773237	127349
54.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000844116	127323
55.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000842923	127346
56.	US Med-Equip/Sigma	Infusion Pump/Single Channel	1	Spectrum	G00000841687	125555
57.	US Med-Equip/Philips Respironics	Stand, BiPAP Vision	1	Stand (O)	N/A	64723
58.	US Med-Equip/Philips Respironics	Stand, BiPAP Vision	1	Stand (VO)	N/A	67721
59.	US Med-Equip/Philips Respironics	Stand, BiPAP Vision	1	Stand (O)	N/A	57495
60.	US Med-Equip/GE Medical Systems	Stand, GE Mac 5000/5500 Rolling	1	Stand	N/A	71142
61.	US Med-Equip/GE Medical Systems	Stand, GE Mac 5000/5500 Rolling	1	Stand	N/A	71144
62.	US Med-Equip/GE Medical Systems	Stand, GE Mac 5000/5500 Rolling	1	Stand	N/A	71150
63.	US Med-Equip/GE Medical Systems	Stand, GE Mac 5000/5500 Rolling	1	Stand	N/A	71151
64.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D6416F8	RR11676
65.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D447DAO	81865
66.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A5C67	81869
67.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	N/A	81871

Louisiana Heart Hospital
Exhibit B-1
Excluded Leased Equipment

Schedule B-1: Excluded Leased Equipment						
#	Vendor/Manufacturer	Equipment Description	Quantity	Model	Serial # / Item #	Barcode#
68.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4B2249	81879
69.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D643B37	81957
70.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D642B23	82031
71.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A818B	82719
72.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A7E9A	82749
73.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A8413	82769
74.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D449334	82775
75.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4441F4	82209
76.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4487F1	82281
77.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D827A27	82295
78.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4475FC	82333
79.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A636B	83229
80.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A8226	83237
81.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A5453	81537
82.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D857116	81565
83.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D44949C	81571
84.	US Med-Equip/Sigma	Wireless Battery, Sigma Spectrum	1	35162	00409D4A5B50	81773
85.	First Financial Corporate Leasing, LLC	EHR McKesson Paragon System	1			
86.	First Financial Corporate Leasing, LLC	WoWs, scanner, monitors, etc	1			
87.	First Financial Corporate Leasing, LLC	GE Ventri w/ Xeleris 3	1			
88.	Diagnostica Stago, Inc.	STA Compact Max	1	58990ES	STAM CF76102986	
89.	First Financial Corporate Leasing, LLC	DXH 600 Hematology System	1			
90.	Stryker Instruments	Navigation System for Total Knee	1			
91.	Stryker Instruments	Blanket Purchase Order dated July 8th, 2014	1			
91.	EverBank Commercial Finance, Inc.	Angiojet Ultra System from Medrad, Inc.	1			
92.	Siemens Financial Services, Inc.	RP500 w/ power supply	1			
93.	First Financial Corporate Leasing, LLC	Philips XPER FD 20	1			
94.	First Financial Corporate Leasing, LLC	Philips XPER FD 10	1			
95.	First Financial Corporate Leasing, LLC	Philips Allura XPER FD20 Biplane	1			
96.	First Financial Corporate Leasing, LLC	Philips Brightview	1			
97.	First Financial Corporate Leasing, LLC	Philips IE33 Ultrasound System with Upgrade and	1			
98.	First Financial Corporate Leasing, LLC	Philips Xcelera Express 3.2 Xper Flex Cardio w/ S	1			
99.	Spectranetics Corporation	Gen 4.0/4.0R/4.0U CVX-300 Excimer Laser	1			
100.	Baxter Healthcare Corporation	Spectrum Recertified Pump	TBD			
101.	CAREFUSION SOLUTIONS, LLC	Pyxis	1			
102.	ARJOHUNTLEIGH, INC	Flowtron Compression Pumps	10+			
103.	AFFILIATED COMPUTER SERVICES - MIDS	TBD	TBD	TBD	TBD	
104.	HILL-ROM COMPANY, INC	Barton Chair	1+	TBD	04801247	
105.	GETINGE USA, INC	Sterileizer, Chiller	1+			
106.	WOUNDKAIR CONCEPTS, INC	Inflateable Mattress	1			
107.	PITNEY BOWES GLOBAL FINAN SVS	Mail Meter	1	DM400c	804859	
108.	GE HEALTHCARE FINANCIAL SERVICES	CATH, RAD, SURG Equipment	4+			
109.	ACIST MEDICAL SYSTEMS, INC.	TBD	TBD	TBD	TBD	
110.	INO THERAPEUTICS	TBD	TBD	TBD	TBD	
111.	OLYMPUS AMERICA INC	Scopes	5+			

EXHIBIT B-2

LIST OF EXCLUDED LOANED EQUIPMENT

[attached]

Louisiana Heart Hospital
Exhibit B-2
Excluded Loaned Equipment

Schedule B-2: Excluded Loaned Equipment						
#	Vendor/Manufacturer	Equipment Description	Quantity	Model	Serial # / Part #	MOM # (Multitech)
1.	Air Liquide	Cylinder of Nitrogen - H	25			
2.	Air Liquide	Cylinder of Nitrous Oxide - H	16			
3.	Air Liquide	Cylinder of Oxygen - H	3			
4.	Air Liquide	Cylinder of EZOX+	131			
5.	Air Liquide	Cylinder of Air - E	2			
6.	Air Liquide	Cylinder of Carbon Dioxide - E	22			
7.	Air Liquide	Cylinder of Nitrous Oxide - E	3			
8.	Air Liquide	Cylinder of Oxygen - E	44			
9.	Air Liquide	Cylinder of Oxygen - E (Aluminum)	1			
10.	Air Liquide	Cylinder of Argon - E	2			
11.	Air Liquide	Cylinder of Argon - H (6000 psi)	4			
12.	Air Liquide	Cylinder of Helium - H (6000 psi)	4			
13.	KCI USA, Inc	Vac Ultra Wound Vac	1	vfvr11695	10087823701365600	
14.	Beckman Coulter	DHX 600 Analyzer	1			
15.	Siemens	Arterial Blood Gas analyzer	1			
16.	Werfen USA, LLC	GEM Premier analyzer	1			
17.	Stryker	Vedeo Towers with Flyte Helment and Power Packs	5			
18.	CONMED	Arthroscopic Energy Generator	3	AES-1		
19.	CONMED	Arthroscopic Energy Foot Control	3	AES-FC		
20.	CONMED	AES Foot Control Extension	3	AES-FCE		
21.	CONMED	10' Power Cord	3	C7104		
22.	CONMED	24K Irrigation Console	2	24K-EW		
23.	CONMED	Drive System with Irrigation	2	D4000A-EW		
24.	CONMED	Zen Wireless Footswitch 10.75in X 2.5in X 9.0in	2	W1000-EW		
25.	CONMED	Advantage 2-Button Shaver	4	D9824-EW		
26.	Baxter	35700 BAXL Spectrum Loaner Pump	6	35700 BAXL		
27.	Terumo Cardiovascular System Corporation	CDI 100 Loaner Monitoring System	4		100R	
28.	Terumo Cardiovascular System Corporation	CDI 100 Loaner Power Supply	4		5310R	
29.	Terumo Cardiovascular System Corporation	Endoscope 5.5mm	4		MCENDO550	
30.	Terumo Cardiovascular System Corporation	Component Sterilization Tray	2		811496	
31.	Terumo Cardiovascular System Corporation	Generator	1		UES-40CL	
32.	Terumo Cardiovascular System Corporation	Component Sterilization Tray	2		811496	
33.	Medtronic USA, Inc.	NT Integrated Power Console Kit plus Accessories	1	EK001		
34.	Medtronic USA, Inc.	Kit Legend Stylus Motor fo IPC plus Accessories	1	EK003		
35.	Medtronic USA, Inc.	ATT AS09 Legend 9cm Straight (M) 3.2MM	1	AS09		
36.	Medtronic USA, Inc.	ATT AS14 Legend 14cm Straight AM 3.2MM	1	AS14		
37.	Medtronic USA, Inc.	ATT AVS14 14CM Variable Straight	1	AVS14		
38.	Medtronic USA, Inc.	ATT AA075 Legend 7.5CM Angled 2.4MM	1	AA075		
39.	Medtronic USA, Inc.	ATT AVA10 10CM Variable Angled	1	AVA10		
40.	Medtronic USA, Inc.	ATT AVA14 14CM Variable Angled	1	AVA14		
41.	Medtronic USA, Inc.	ATT AVA15 15CM Variable Angled	1	AVA15		
42.	Medtronic USA, Inc.	ATT AT10 Legend Telescope Base	1	AT10		
43.	Medtronic USA, Inc.	TUBE TT12CMS Legend 12CM TAPR TELE Curved	1	TT12CMIS		
44.	Medtronic USA, Inc.	TUBE TT12AMIS Legend 12CM TAPR TELE Angled	1	TT12AMIS		
45.	Medtronic USA, Inc.	ATT ASMC Legend Metal Cutter	1	ASMC		
46.	Medtronic USA, Inc.	Console BM120 Electric Bone Mill	2	BM120		
47.	Medtronic USA, Inc.	Cable EA600 Legend EHS Power- US ROHS	2	EA600		
48.	Medtronic USA, Inc.	Base BM110 Electric Bone Mill	2	BM110		
49.	Medtronic USA, Inc.	Instrument Tray BM130 Electric Bone Mill	2	BM130		
50.	Medtronic USA, Inc.	O-Arm Base Unit	1		BI70000028120	
51.	Medtronic USA, Inc.	O-Arm Collimated Axial 3D	1		BI75000006	
52.	Medtronic USA, Inc.	O-Arm Iso-Wag Rotation	1		BI75000005	
53.	Medtronic USA, Inc.	O-Arm Advanced Viewing	1		BI75000003	
54.	Medtronic USA, Inc.	O-Arm High Definition 3D-HD3D	1		BI75000001	
55.	Medtronic USA, Inc.	O-Arm System Navigation Interface	1		BI75000011	
56.	Medtronic USA, Inc.	Stealthstation Staff Cart	2		9733856	
57.	Medtronic USA, Inc.	Stealthstation Monitor Cart with Touchscreen	2		9734685	
58.	Medtronic USA, Inc.	Synergy Spine Software	2		9733990	
59.	Medtronic USA, Inc.	Basic Spine Referencing	2		9735500	
60.	Medtronic USA, Inc.	Perc Pin Upgrade	2		9735502	
61.	Medtronic USA, Inc.	Driver NAV2024 Solera 4.75 Standard MAS	2		NAV2024K	
62.	Medtronic USA, Inc.	Driver NAV2025 Solera 4.75 Reduct MAS	2		NAV2025K	
63.	Medtronic USA, Inc.	CD Horizon Solera Taps	2		9735469	
64.	Medtronic USA, Inc.	Solera 5.5/6.0 Drivers	2		9735283	
65.	Medtronic USA, Inc.	Navigated Vertex Max Set	1		9733370	
66.	Medtronic USA, Inc.	Insertor, Capstone & Clydesdale Set	2		9734836	
67.	Medtronic USA, Inc.	Navlock Navigation Instrument Set	2		9734833	

Louisiana Heart Hospital
Exhibit B-2
Excluded Loaned Equipment

Schedule B-2: Excluded Loaned Equipment						
#	Vendor/Manufacturer	Equipment Description	Quantity	Model	Serial # / Part #	MOM # (Multitech)
68.	Medtronic USA, Inc.	Capstone Trials Set (TLIF/PLIF)	2		9734834	
69.	Medtronic USA, Inc.	Stealthstation Universal Drill Guide	2		9734507	
70.	Medtronic USA, Inc.	Clydesdale Trials Set (DLIF)	2		9734835	
71.	Medtronic USA, Inc.	Instrument Set- Suretrak II Passive	2		961-574	
72.	PSA Perfusion	TBD				
73.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDD47846	24290
74.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8H3FCDM	24377
75.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNNLC10784	22703
76.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNJLGO3718	23171
77.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CND8FBR09Z	23211
78.	Multitech	HP Laserjet Pro M426fdw MFP Printer	1	F6W15A-M426fdw	BRBSJ5J744	M25714
79.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF40451	22439
80.	Multitech	HP M3035xs MFP Laser Printer	1	CC477A-M3035xs	CNLLG05757	M25596
81.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDB26939	23857
82.	Multitech	HP M3035xs MFP Laser Printer	1	CC477A-M3035xs	CNNLB19648	24513
83.	Multitech	HP M3035xs MFP Laser Printer	1	CC477A-M3035xs	CNQCBO5192	24523
84.	Multitech	HP M3035xs MFP Laser Printer	1	CC477A-M3035xs	CNQCBO10736	24778
85.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNNLC01216	22408
86.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDCC4T05Z	M25924
87.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHH33696	M26108
88.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHH33712	M26109
89.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHH33685	M26110
90.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNNLC20355	23772
91.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CND8FBR07C	23212
92.	Multitech	HP P2035N Laser Printer	1	CE462A-P2035N	CNB9D19778	M25566
93.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNLLG17931	21369
94.	Multitech	Canon Imageclass MF4450 MFP Laser Printer	1	4509B021-MF4450	HCG59950	21662
95.	Multitech	HP P2035N Laser Printer	1	CE462A-P2035N	CNB9F25116	21664
96.	Multitech	HP CM2320NF MFP Color Laser Printer	1	CC436A-CM2320NF	CNF9D1LXFR	21991
97.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8G45035	23553
98.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNDC82M3ZV	20651
99.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNLLG20122	22077
100.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHD38103	M25719
101.	Multitech	HP Laserjet Pro M426fdw MFP Printer	1	F6W15A-M426fdw	PHB8J6SKVX	M25744
102.	Multitech	HP CM2320NF MFP Color Laser Printer	1	CC436A-CM2320NF	CNF9D1GXGH	21987
103.	Multitech	HP 4250 Laser Printer	1	Q5400A-4250	CNBXB26395	22021
104.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF27646	22479
105.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF34823	22480
106.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CND8FCD2JR	23362
107.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	JPBGS01115	20797
108.	Multitech	HP P1005 Laser Printer	1	CB410A-P1005	VND3503835	12990
109.	Multitech	HP 4250N Laser Printer	1	Q5401A-4250N	CNGXG15243	20310
110.	Multitech	Canon Imageclass D480 Laser Printer	1	2711B054-IC D480	DTG48455	20773
111.	Multitech	HP CM2320NF MFP Color Laser Printer	1	CC436A-CM2320NF	CNF987G8TL	21066
112.	Multitech	HP 4250 Laser Printer	1	Q5400A-4250	CNGXF57403	21364
113.	Multitech	HP P2035N Laser Printer	1	CE462A-P2035N	CNB9R77230	21775
114.	Multitech	HP M2727NF MFP Laser Printer	1	CB532A-M2727NF MFP	CND87CC0JK	22798
115.	Multitech	Canon Imageclass MF4770N MFP Laser Printer	1	6371B030-MF4770	QZJ24041	23561
116.	Multitech	Canon Imageclass MF4770N MFP Laser Printer	1	6371B030-MF4770	QZJ44497	23564
117.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDG27736	24155
118.	Multitech	HP LaserJet Enterprise 500 Series Color Printer M551n	1	CF081A-M551N	CNDCGCS008	24424
119.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC76N05S	M25615
120.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDCBB10F3	M25902
121.	Multitech	HP 4250N Laser Printer	1	Q5401A-4250N	CNRXN00670	22448
122.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF365796	23698
123.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNDCB960SN	M25558
124.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8H3PKJP	24650
125.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDCB330B1	M25895
126.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNLLG17459	20027
127.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF17560	20795
128.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF22952	20796
129.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNGYF13645	21381
130.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNNLC01034	22520
131.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF07055	22549
132.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNNLB01263	22723
133.	Multitech	HP P2035N Laser Printer	1	CE462A-P2035N	CNB9R60851	23035
134.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNQCBO10368	23128
135.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNJLGO2813	23249
136.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNJLGO7814	23726
137.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNCC6DGOBZ	23743
138.	Multitech	HP M3035xs MFP Laser Printer	1	CC477A-M3035xs	JPLMD02243	23959
139.	Multitech	HP LaserJet Pro 400 Color MFP M476nw	1	CF385A-M476nw	CNB6H3LGSV	24464
140.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF268362	24151

Louisiana Heart Hospital
Exhibit B-2
Excluded Loaned Equipment

Schedule B-2: Excluded Loaned Equipment						
#	Vendor/Manufacturer	Equipment Description	Quantity	Model	Serial # / Part #	MOM # (Multitech)
141.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNLLG13651	24027
142.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8H6850N	24617
143.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNDCB16021	M25565
144.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDC48911	24105
145.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC76N002	24811
146.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHF32683	M26000
147.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF41697	22237
148.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDC17655	23787
149.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF377894	23891
150.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDD33647	23718
151.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNBC7B728R	M25497
152.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNQC820949	23048
153.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDF10241	23494
154.	Multitech	HP LaserJet Pro 400 Series Color Printer M451nw	1	CE956A-M451nw	CNDG168201	M25253
155.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNJFY40838	12765
156.	Multitech	HP 3600N Color Laser Printer	1	Q5987A-3600N	CNWB54575	17701
157.	Multitech	HP 3600N Color Laser Printer	1	Q5987A-3600N	CNWF24560	20121
158.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNCC73X031	20650
159.	Multitech	Canon Imageclass MF4370DN MFP Laser Printer	1	2711B019-IC MF4370DN	EKH70390	20725
160.	Multitech	Canon Imageclass MF4370DN MFP Laser Printer	1	2711B019-IC MF4370DN	EKH70378	20870
161.	Multitech	Brother Intellifax 4100E Laser Fax Machine	1	Intellifax 4100E	K0J216707	21209
162.	Multitech	HP P2035N Laser Printer	1	CE462A-P2035N	CNB9X70095	21410
163.	Multitech	HP 4250 Laser Printer	1	Q5400A-4250	CNGXF73112	22029
164.	Multitech	HP 4250 Laser Printer	1	Q5400A-4250	CNGXH01941	22099
165.	Multitech	HP 4345 MFP Laser Printer	1	Q3942A-4345	CNJYF13531	22406
166.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNGLB00779	22657
167.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	JPBDQ02737	22845
168.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC77BCVK	22855
169.	Multitech	HP M3035 MFP Laser Printer	1	CB414A-M3035 MFP	CNNLB22580	22890
170.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC81Y010	22903
171.	Multitech	Canon Imageclass MF4770N MFP Laser Printer	1	6371B030-MF4770	NXV37290	22959
172.	Multitech	HP 4350N Laser Printer	1	Q5407A-4350	CNRXS63678	23043
173.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDC12642	23253
174.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF340198	23321
175.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF340160	23323
176.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	VNG3R42926	23527
177.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8G447KN	23554
178.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC77J1DV	23968
179.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC87F02L	24020
180.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF386728	24165
181.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDC42958	24304
182.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8G8L70D	24307
183.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDF288471	24315
184.	Multitech	HP LaserJet Pro 400 Color MFP M476nw	1	CF385A-M476nw	CNB6H3LGQR	24466
185.	Multitech	HP Laserjet Pro 400 Series M401N Laserjet Printer	1	CZ195A-M401N	PHGDB78035	24554
186.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8H3Q5C7	24612
187.	Multitech	HP LaserJet Pro 400 Series Color Printer M451dn	1	CE957A-M451DN	CNDFG12004	24644
188.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC78P2Y8	24771
189.	Multitech	HP 4730 FSK MFP Color Printer	1	CB482A-4730FSK MFP	JPDHL11992	24828
190.	Multitech	HP LaserJet Pro 200 Color Printer M276nw MFP	1	CF145A-M276nw	CNF8G4YBXT	C23466
191.	Multitech	HP P2035N Laser Printer	1	CE462A-P2035N	CNB9R60780	M25145
192.	Multitech	HP 4200N Laser Printer	1	Q2426A-4200N	USGNP34626	M25152
193.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC98Z02N	M25158
194.	Multitech	HP Laserjet Pro 400 Series M425dn MFP Printer	1	CF286A-M425DN	CNF8H5Q2H8	M25261
195.	Multitech	HP Laserjet Pro M426fdw MFP Printer	1	F6W15A-M426fdw	PHB8J4FLK6	M25477
196.	Multitech	HP Laserjet Pro M426fdw MFP Printer	1	F6W15A-M426fdw	PHB8J4FLVL	M25480
197.	Multitech	HP M4345 MFP Laser Printer	1	CB425A-M4345	CNDC99P0ZX	M25605
198.	Multitech	HP Color LaserJet Pro M452nw Printer	1	CF388A-M452nw	VNB3N06932	M25655
199.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHF40314	M25856
200.	Multitech	HP Laserjet Pro M426fdw MFP Printer	1	F6W15A-M426fdw	PHB8J6WB57	M25984
201.	Multitech	HP Laserjet Pro M426fdw MFP Printer	1	F6W15A-M426fdw	PHB8HCVCYM	M26027
202.	Multitech	HP Laserjet Pro M402N Printer	1	C5F93A-M402N	PHBHF23640	M26037
203.	Multitech	HP Color LaserJet Pro M452nw Printer	1	CF388A-M452nw	VNB3N13478	M26042
204.	Multitech	HP Color LaserJet Pro M477fnw MFP Printer	1	CF377A-M477fnw	VNB8J6W1L7	M26086
205.	Multitech	HP Printer	1			M25522
206.	MEDTRONIC SOFAMO	AEX Powersource and Aquamaney	3			

EXHIBIT B-3

LIST OF EXCLUDED PHYSICAL THERAPY EQUIPMENT AND X-RAY EQUIPMENT

[attached]

Louisiana Heart Hospital
Exhibit B-3
Specified Excluded Equipment

Schedule B-3: Specified Excluded Equipment				
#	Equipment Description	Quantity	Model	Serial # / Item #
1.	PT Body Positioners	4		
2.	PT Bosu	1		
3.	PT Chest Freezer	1		
4.	PT Foam Rollers	4		
5.	PT Free Motion Dual Cable Cross EXT Machine	2		
6.	PT Heat Oven	1		
7.	PT Ice Machine	1	Follett	
8.	PT Kettle Balls	3		
9.	PT King Size Physical Therapy Table	3		
10.	PT Matrix Seated Bike	1	Matrix	
11.	PT Matrix Squat Rack Multistation	1	Matrix	
12.	PT Quantum Leg Press	2	Quantum	
13.	PT Recumbent Bike	1	SciFit	
14.	PT Recumbent Bike	1	SportsArt	
15.	PT Sports Art Fitness Treadmill	2	SportsArt	
16.	PT Tropic Heater Blanket Heater	1		
17.	PT Upright Bike	1	Matrix	
18.	PT Vinyl Rollers	6		
19.	PT Wet Heat Box	1	Chattanooga FRT1814QB	
20.	X-Ray -Machine	1		
21.	X-Ray -Machine Component	1	Poersch Metal Manufacturing	26793
22.	X-Ray -Machine Component	1	110-5115G1	02101-1113
23.	X-Ray -Machine Component	1	R 221/A DHHS	1311222
24.	X-Ray -Machine Component	1	110-5102G1	02099-1113
25.	X-Ray -Machine Component	1	3546E	02043-1113
26.	X-Ray -Machine Component	1	K871	01638-0913
27.	X-Ray -Machine Component	1	112-548G1	02102-1113

EXHIBIT C

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement is made as of the _____ day of March, 2017, by and among **LOUISIANA MEDICAL CENTER AND HEART HOSPITAL, LLC**, a North Carolina limited liability company ("Seller"), and **STIRLING MEDICAL LACOMBE, L.L.C.**, a Louisiana limited liability company ("Purchaser"), and **FIRST AMERICAN TITLE INSURANCE COMPANY** ("Escrow Agent").

RECITALS

Seller and Purchaser have entered into a certain purchase agreement ("Purchase Agreement") concerning real property located in St. Tammany Parish, Louisiana more particularly described therein (the "Property").

In connection with the Purchase Agreement, Seller and Purchaser have requested Escrow Agent to receive funds to be held in escrow and applied in accordance with the terms and conditions of this Escrow Agreement.

NOW THEREFORE, in consideration of the above recitals, the mutual promises set forth herein and other good and valuable consideration, the parties agree as follows:

1. **ESCROW AGENT.** First American Title Insurance Company hereby agrees to act as Escrow Agent in accordance with the terms and conditions hereof.

2. **INITIAL DEPOSIT/ADDITIONAL DEPOSITS.** Escrow Agent shall receive a deposit in the amount of \$3,000,000.00. Any additional amounts deposited with Escrow Agent shall be added to the initial deposit and together with the initial deposit and all interest earned thereon shall be referred to herein collectively as the "Escrow Fund".

3. **DEPOSITS OF FUNDS.** The Escrow Fund shall be held in a separate escrow account. As soon as the Escrow Fund has been credited as collected funds to Escrow Agent's account, then Escrow Agent shall immediately deposit the Escrow Fund into an interest bearing account with any reputable trust company, bank, savings bank, savings association, or other financial services entity approved by Seller. Seller and Purchaser will execute the appropriate Internal Revenue Service documentation for the giving of taxpayer identification information relating to this account. Seller and Purchaser do hereby certify that each is aware that the Federal Deposit Insurance Corporation coverages apply to a legally specified maximum amount per depositor. Further, Seller and Purchaser understand that Escrow Agent assumes no responsibility for, nor will Seller or Purchaser hold same liable for any loss occurring which arises from a situation or event under the Federal Deposit Insurance Corporation coverages.

All interest will accrue to and be reported to the Internal Revenue Service for the account of Purchaser, as set forth below:

STIRLING MEDICAL LACOMBE, L.L.C.,

Attn: Townsend Underhill
109 Northpark Blvd., Suite 300
Covington, Louisiana 70433
Tax Identification No.: 82-0768219

Escrow Agent shall not be responsible for any penalties, or loss of principal or interest, or any delays in the withdrawal of the funds which may be imposed by the depository institution as a result of the making or redeeming of the investment pursuant to Seller and Purchaser instructions.

4. **DISBURSEMENT OF ESCROW FUND.** Escrow Agent may disburse all or any portion of the Escrow Fund in accordance with and in reliance upon written instructions from both Seller and Purchaser. The Escrow Agent shall have no responsibility to make an investigation or determination of any facts underlying such instructions or as to whether any conditions upon which the funds are to be released have been fulfilled or not fulfilled, or to whom funds are released.

5. **DEFAULT AND/OR DISPUTES.** In the event any party to the transaction underlying this Agreement shall tender any performance after the time when such performance was due, Escrow Agent may proceed under this Agreement unless one of the parties to this Agreement shall give to the Escrow Agent written direction to stop further performance of the Escrow Agent's functions hereunder. In the event written notice of default or dispute is given to the Escrow Agent by any party, or if Escrow Agent receives contrary written instructions from any party, the Escrow Agent will promptly notify all parties of such notice. Thereafter, Escrow Agent will decline to disburse funds or to deliver any instrument or otherwise continue to perform its escrow functions, except upon receipt of a mutual written agreement of the parties or upon an appropriate order of court. In the event of a dispute, the Escrow Agent is authorized to deposit the escrow into a court of competent jurisdiction for a determination as to the proper disposition of said funds. In the event that the funds are deposited in court, the Escrow Agent shall be entitled to file a claim in the proceeding for its costs and counsel fees, if any.

6. **ESCROW AGENT FEES AND OTHER EXPENSES.** Escrow Agent's fee for performing its duties hereunder shall be (a) \$250.00 for holding the Escrow Fund, (b) \$1,250.00 for disbursing funds pursuant to the Purchase Agreement, and (c) \$150.00 for preparing the closing statement pursuant to the Purchase Agreement. Escrow Agent shall not be required to advance its own funds for any purpose provided that any such advance, made at its option, shall be promptly reimbursed by the party for whom it is advanced, and such optional advance shall not be an admission of liability on the part of Escrow Agent.

7. **PERFORMANCE OF DUTIES.** In performing any of its duties under this Agreement, or upon the claimed failure to perform its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may occur as a result of Escrow Agent so acting, or failing to act; provided, however, Escrow Agent shall be liable for damages arising out of its willful default or gross negligence under this Agreement. Accordingly, Escrow Agent shall not incur any such liability with respect to (i) any good faith act or omission upon advice of counsel given with respect to any questions relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any good faith act or omission in reliance upon any document, including any written notice or instructions provided for in the Agreement, not only as to its due execution and to the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by the proper person or persons and to conform with the provisions of this Agreement.

8. LIMITATIONS OF LIABILITY. Escrow Agent shall not be liable for any loss or damage resulting from the following:

(a) The effect of the transaction underlying this Agreement including without limitation, any defect in the title to the real estate, any failure or delay in the surrender of possession of the Property, the rights or obligations of any party in possession of the Property, the financial status or insolvency of any other party, and/or any misrepresentation of fact made by any other party;

(b) The default, error, act or failure to act by any other party to the escrow;

(c) Any loss, loss of value or impairment of funds which have been deposited in escrow while those funds are in the course of collection or while those funds are on deposit in a depository institution if such loss or loss of value or impairment results from the failure, insolvency or suspension of a depository institution;

(d) Any defects or conditions of title to any property that is the subject of this escrow;

(e) Escrow Agent's compliance with any legal process including but not limited to, subpoena, writs, orders, judgments and decrees of any court whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

9. HOLD HARMLESS. Purchaser and Seller shall indemnify the Escrow Agent and hold the Escrow Agent harmless from all damage, costs, claims and expenses arising from performance of its duties as Escrow Agent including reasonable attorneys' fees, except for those damages, costs, claims and expenses resulting from the gross negligence or willful misconduct of the Escrow Agent.

10. TERMINATION. This Agreement shall terminate upon the first to occur of (a) the disbursement by Escrow Agent of all of the Escrow Fund; and (b) the joint written instructions of Purchaser and Seller.

11. RELEASE OF PAYMENT. Payment of the funds so held in escrow by the Escrow Agent, in accordance with the terms, conditions and provisions of this Escrow Agreement, shall fully and completely discharge and exonerate the Escrow Agent from any and all future liability or obligations of any nature or character at law or equity to the parties hereto or under this Agreement.

12. NOTICES. Any notice hereunder shall be given in writing by (a) reputable overnight delivery service with proof of delivery, (b) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (c) a .PDF attachment to an electronic mail message sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given upon receipt or refusal to accept delivery, or, in the case of electronic mail transmission, as of the date of electronic mail transmission provided that an original of such electronic mail transmission is also sent to the intended addressee by means described in clauses (a) or (b). Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller: Louisiana Medical Center and Heart Hospital, LLC
64030 Highway 434
Lacombe, Louisiana 70445

Attention: Neil Luria
Email Address: nluria@soliccapi.com

with a copy to:

Alston & Bird LLP
1201 W. Peachtree Street
Atlanta, Georgia 30309
Attention: Grant T. Stein, Esq.
Sage M. Sigler, Esq.
Jason W. Howard, Esq.
Email Address: grant.stein@alston.com
sage.sigler@alston.com
jason.howard@alston.com

If to Purchaser:

STIRLING MEDICAL LACOMBE, L.L.C.
Attn: Townsend Underhill
109 Northpark Blvd., Suite 300
Covington, Louisiana 70433
Email: tunderhill@stirlingprop.com

with a copy to:

Fishman Haygood, L.L.P.
201 St. Charles Avenue, 46th Floor
New Orleans, Louisiana 70170-4600
Attention: Steven C. Serio, Esq.
Email: sserio@fishmanhaygood.com

If to Escrow Agent:

First American Title – Agency Solutions
6 Concourse Parkway, Suite 2150
Atlanta, GA 30328
Attention: Rose Crane
Email Address: rocrane@firstam.com

13. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties respective successors and assigns.

14. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana.

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one and the same instrument.

16. TIME OF THE ESSENCE. Time shall be of the essence of this Agreement and each and every term and condition hereof.

17. ATTORNEY FEES. In the event a dispute arises between Purchaser and Seller under this Escrow Agreement, the losing party shall pay the attorney's fees and court costs of the prevailing party.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and sealed as of the date first stated above.

SELLER:

LOUISIANA MEDICAL CENTER AND HEART HOSPITAL, LLC,
a North Carolina limited liability company

By: _____
Name: _____
Title: _____

PURCHASER:

STIRLING MEDICAL LACOMBE, L.L.C.,
a Louisiana limited liability company

By: _____
Name: G. Townsend Underhill, IV
Title: Manager

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____