

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

-----X
In re: : Chapter 11
: :
Monroe Hospital, LLC,¹ : Case No. 14-07417-JMC-11
: :
Debtor. : Honorable James M. Carr
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**MOTION OF THE DEBTOR AND DEBTOR IN POSSESSION TO
AMEND SALE ORDER AND ASSET PURCHASE AGREEMENT**

Monroe Hospital, LLC (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 case, by and through its undersigned counsel, hereby moves (the “Motion”)² under sections 105, 363 and 365 of title 11 of the United States Code (the “Bankruptcy Code”) and rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for entry of an order (the “Amended Sale Order”) amending (i) the Successful Bidder’s Asset Purchase Agreement (as defined below), (ii) amending and superseding the Sale Order (defined below). In support of this Motion, the Debtor respectfully states as follows:

Jurisdiction and Venue

1. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

¹ The last four digits of the Debtor’s taxpayer identification number are (9733).

² The Motion, is a motion to amend a prior order of the Court, and is not a separate motion for the sale of estate property, and accordingly the Motion need not comply with Local Rule B-6004.

Background

2. On August 8, 2014 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Indiana (the “Court”). The Debtor continues to manage and operate its business as a debtor in possession under sections 1107 and 1108 of the Bankruptcy Code. To date, the Office of the United States Trustee (the “U.S. Trustee”) has not appointed an official committee of unsecured creditors in the Chapter 11 Case. No trustee or examiner has been appointed in the Chapter 11 Case.

3. On the Petition Date, the Debtor filed a motion seeking authority to use its secured lender’s cash collateral and to authorize the Debtor’s use of post-petition financing [Docket No. 4]. On September 2, 2014, the Court entered an order authorizing the Debtor’s use of cash collateral and post-petition financing on a final basis [Docket No. 87] (the “Final Financing Order”). A condition of the Debtor’s use of post-petition financing is that the Debtor close on the sale of substantially all of its assets on or before December 31, 2014.

4. On August 22, 2014, the Debtor filed motions [Docket Nos. 60 and 62] to establish procedures for the sale of substantially all of its assets (the “Sale”) and to approve the Sale under section 363 of the Bankruptcy Code to either Prime Healthcare Services Monroe, LLC (“Prime”) or a different party who submitted a higher and better bid. On September 2, 2014, the Court entered an order establishing sale procedures [Docket No. 86]. On October 27, 2014, the Court entered an order authorizing the Sale to Prime [Docket No. 211] (the “Sale Order”) pursuant to the terms set forth in the Sale Order and the Successful Bidder’s Asset Purchase Agreement (as defined in the Sale Order). The Sale is scheduled to close on December

31, 2014.

5. Under the terms of the Sale Order, the Debtor was to, among other things, assume and assign the Debtor's provider agreements related to Medicare and Medicaid and which are set forth on schedule 3.8 of the Successful Bidder's Asset Purchase Agreement (together, the "Medicare and Medicaid Provider Agreements") to Prime. (Sale Order, ¶ 13). The Sale Order also provided that the "Court retains jurisdiction to interpret implement, and enforce the provisions of, and resolve any disputes arising under or related to, this Order and the Successful Bidder's Asset Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith." (Sale Order, ¶ 24). Further, the Sale Order provided that "[t]he Successful Bidder's Asset Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor's bankruptcy estate." (Sale Order, ¶ 26).

6. On December 1, 2014, the Debtor filed the *Debtor Monroe Hospital, LLC's Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* [Docket No. 271] (the "Plan") and the related *Disclosure Statement for Debtor Monroe Hospital, LLC's Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* [Docket No. 270].

7. On December 2, 2014, the Centers for Medicare & Medicaid Services ("CMS") informed the Debtor of the outcome of a recent audit and that the Debtor did not meet certain criteria for a grant that the Debtor received. As a result, the Debtor and Prime anticipate that CMS will seek to recover approximately \$1.1 million dollars by setting that amount off against

future payments owed by CMS to the Debtor to reimburse the Debtor for medical services it has provided to patients that are covered under the Medicare and Medicaid programs. Based upon the audit and other related concerns, Prime has informed the Debtor that it no longer wishes to have the Debtor assume the Medicare and Medicaid Provider Agreements and assign them to Prime. Although the Debtor and Prime believe that paragraph 26 of the Sale Order already provides them with sufficient authority to amend the Successful Bidder's Asset Purchase Agreement so that the Medicare and Medicaid Provider Agreements will not be assumed and assigned, out of an abundance of caution, the parties also seek entry of the Amended Sale Order.

8. This Motion is being filed in conjunction with the *Motion of the Debtor and Debtor in Possession for Entry of an Order Under 11 U.S.C. § 365 and Bankruptcy Rules 6006 and 9014 Authorizing the Debtor to Reject the Medicare and Medicaid Provider Agreements* [Docket No. 291] (the "Motion to Reject"). By the Motion to Reject, the Debtor seeks explicit authority to reject the Medicare and Medicaid Provider Agreements.

Relief Requested

9. By this Motion the Debtor seeks entry of the Amended Sale Order. A Blackline showing the changes between the Sale Order and the Amended Sale Order is attached hereto as Exhibit A. The Amended Sale Order authorizes the Debtor to enter into the amended Successful Bidder's Asset Purchase Agreement substantially in the form attached hereto as Exhibit B and to reject the Medicare and Medicaid Provider Agreements.

Argument

10. Section 363(b) of the Bankruptcy Code provides that a 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). Although section 363 of the Bankruptcy Code 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, a sale of a debtor’s assets should be authorized if a sound business purpose exists for doing so. *See, e.g., Meyers v. Martin (In re Martin)*, 91 F.3d 289, 295 (3d Cir. 1996); *In re Abbotts Dairies of Penn., Inc.*, 788 P.2d 143 (2d Cir. 1986); *In re Titusville Country Club*, 128 B.R. 396 (W.D. Pa. 1991); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991); *see also, Official Comm. of Unsecured Creditors v. The LTV Corp. (In re Chateaugay Corp.)*, 973 F.2d 141, 143 (2d Cir. 1992); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *Comm. of Asbestos-Related Litig. and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). In reviewing such proposed transactions, courts should give substantial deference to the business judgment of the debtor in possession. *See, e.g., Esposito v. Title Ins. Co. of Pa. (In re Fernwood Mkts.)*, 73 B.R. 616, 621 n.2 (Bankr. E.D. Pa. 1987).

11. Section 365(a) of the Bankruptcy Code allows a debtor to reject any executory contract or unexpired lease. 11 U.S.C. § 365(a). *See Sharon Steel Corp. v. Nat’l Fuel Gas Dist. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (“The language of [section 365] is clear: the trustee may assume or reject any executory contract of the debtor.”). A debtor may assume or reject an executory contract or unexpired lease if the assumption or rejection represents a reasonable exercise of business judgment, generally the same standard for determining whether a Debtor’s sale of assets outside the ordinary course of business may be approved under section 363(b) of the Bankruptcy Code. *See In re Orion Pictures Corp.*, 4 F.3d 1095, 1099 (2d Cir. 1993); *In re Bullet Jet Charter, Inc.*, 117 B.R. 593, 601 (Bankr. N.D. Ill. 1995); *In re Del Grosso*, 115 B.R.

136, 138 (Bankr. N.D. Ill. 1990); *Johnson v. Fairco Corp.*, 61 B.R. 317, 319-20 (N.D. Ill. 1986).

Under the business judgment test, the debtor need demonstrate only that the assumption or rejection of the executory contract or unexpired lease will benefit the bankruptcy estate. *See In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (“Generally, absent a showing of bad faith, or an abuse of discretion, the debtor’s business judgment will not be altered.”) (citing *In re Bildisco*, 682 F.2d 72, 79 (3d Cir. 1982), *aff’d sub nom*, *N.L.R.B. v. Bildisco & Bildisco*, 465 U.S. 513 (1984)), *aff’d*, 187 B.R. 111 (S.D.N.Y. 1995); *In re Mkt. Square Inn, Inc.*, 978 F.2d 116, 118 n.3 (3d Cir. 1992) (“A consideration in determining to assume or reject such a contract or lease would be whether or not assumption or rejection would be beneficial to an effective reorganization.”)

12. Section 105(a) of the Bankruptcy Code provides that a bankruptcy court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Under section 105(a) of the Bankruptcy Code, the Court has expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of a debtor’s assets, as long as the “powers conferred under § 105” are “exercised within the confines of the Bankruptcy Code.” *Disch v. Rasmussen*, 417 F.3d 769, 777 (7th Cir. 2005) (internal citation omitted); *see also*, *In re Airadigm Commc’ns, Inc.*, 519 F.3d 640, 657 (7th Cir. 2008) (noting that bankruptcy courts traditionally have “broad” equitable powers); *In re Lionel Corp.*, 722 F.2d at 1069 (“[A] bankruptcy judge must have substantial freedom to tailor his orders to meet differing circumstances.”); *Keene Corp. v. Acstar Ins. Co. (In re Keene Corp.)*, 168 B.R. 285, 292 (Bankr. S.D.N.Y. 1994) (noting that a court can “use its equitable powers to assure the orderly conduct of the reorganization”). Further, pursuant to

paragraph 24 of the Sale Order, the Court retained jurisdiction to enforce and implement the terms and provisions of the Sale Order and Successful Bidder's Asset Purchase Agreement and all amendments thereto. (Sale Order, ¶ 24).

13. Here, the Debtor has properly exercised its business judgment in seeking entry of the Amended Sale Order, which will authorize, among other things, the Debtor to enter into the amended Successful Bidder's Asset Purchase Agreement and to reject the Medicare and Medicaid Provider Agreements. As this Court has already found, the Sale of substantially all of the Debtor's assets to Prime "constitutes a reasonable exercise of the Debtor's business judgment and each is in the best interests of the Debtor, its bankruptcy estate, and its creditors." (Sale Order, ¶ G).

14. Prime has informed the Debtor as a condition for the Sale closing that the Sale Order and Successful Bidder's Asset Purchase Agreement must be amended so that the Medicare and Medicaid Provider Agreements are rejected. Although the Debtor could attempt to rely on the Sale Order to force Prime to accept the assignment of the Medicare and Medicaid Provider Agreements, Prime would certainly resist this, litigation may be necessary, the Sale would not close by December 31, 2014, the Debtor's post-petition financing would expire, and the Debtor's operations would be endangered.

15. On the other hand, by agreeing to seek entry of the Amended Sale Order and by amending the Successful Bidder's Asset Purchase Agreement the Debtor will close the Sale and maximize the value of its bankruptcy estate. The rejection of the Medicare and Medicaid Provider Agreements is unlikely to have any material impact on the Debtor. At most, CMS will now file a proof of claim asserting a general unsecured claim against the Debtor, however, even

this is in doubt because CMS may simply recover any damages it has by setting off against the receivables it owes to the Debtor and which will be sold to Prime as part of the Sale. Further, in conjunction with the Amended Sale Order and amended Asset Purchase Agreement the Debtor has negotiated with Prime and MPT for changes that will significantly benefit the Debtor's creditors. Specifically, the amount of the wind-down expense will be increased by \$200,000, Prime will now pay any administrative expense claims incurred after the Petition Date and before Closing regardless of the amount of those claims, and Prime and MPT will support the Plan.

16. Consistent with the terms of the *Order Granting Motion of the Debtor and Debtor in Possession for an Order Establishing Deadlines for Filing proofs of Claim and Section 503(b)(9) Claim requests and Approving the Form and Manner of Notice Thereof* [Docket No. 135], the counterparties to the Medicare and Medicaid Provider Agreements, including, but not limited to, the Centers for Medicare & Medicaid Services, should be required to file any proofs of claim asserting claims against the Debtor for damages related to the Medicare and Medicaid Provider Agreements and the rejection thereof within thirty (30) days after entry of this Amended Sale Order.

The Amended Sale Order Should Be Effective Immediately

17. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale or lease of property ... is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to FED. R. BANKR. P. 6004(h). Although Bankruptcy Rule 6004(h) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the fourteen

(14) day stay period, *Collier on Bankruptcy* suggests that the fourteen (14) day stay period should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to the procedure.” *Collier on Bankruptcy* ¶ 6004.11 (16th ed.). Furthermore, *Collier on Bankruptcy* provides that if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

18. The Debtor hereby requests that the Court waive the fourteen-day stay period under Bankruptcy Rule 6004(h). This is particularly important here, because as a condition of its post-petition financing the Debtor needs to close the Sale with Prime no later than December 31, 2014.

Notice

19. Notice shall be provided via overnight delivery to: (i) the U.S. Trustee; (ii) counsel to MPT; (iii) counsel to Prime; (iv) counsel to CMS, and (v) the addresses of the counterparties to the Medicare and Medicaid Provider Agreements set forth in the Debtor’s *Schedules of Assets and Liabilities* [Docket No. 104] (as later modified and amended) and via first-class United States Mail on: (i) the Debtor’s thirty largest creditors and (ii) all other parties on the “Service List” as provided for under the Local Rules. The Debtor submits that no other notice need be given. This Motion will be served by the Debtor’s noticing agent, UpShot, and a certificate of service will be filed with Court within five business days of the date of this Motion.

WHEREFORE, the Debtor respectfully requests that the Court enter the Amended Sale Order: (i) authorizing the Sale to Prime under the terms set forth in the amended Successful Bidder's Asset Purchase Agreement; (ii) rejecting the Medicare and Medicaid Provider Agreements; and (iii) granting such other and further relief as the Court deems just and proper.

Dated: December 16, 2014

Respectfully submitted,

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Counsel to the debtor, Monroe Hospital, LLC

Exhibit A

(Blackline Comparing Amended Sale Order to Sale Order)

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

-----X		
In re:	:	Chapter 11
	:	
Monroe Hospital, LLC, ¹	:	Case No. 14-07417-JMC-11
	:	
Debtor.	:	Honorable James M. Carr
-----X		

**AMENDED ORDER GRANTING MOTION OF THE DEBTOR AND DEBTOR IN
POSSESSION FOR ENTRY OF AN ORDER UNDER 11 U.S.C. §§ 105(a), 363 AND 365 (A)
APPROVING AND AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE
DEBTOR'S ASSETS PURSUANT TO THE SUCCESSFUL BIDDER'S ASSET
PURCHASE AGREEMENT FREE AND CLEAR OF ALL LIENS, CLAIMS,
EMCUMBRANCES, AND OTHER INTERESTS; (B) APPROVING THE ASSUMPTION
AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES RELATED THERETO; AND (C) GRANTING RELATED RELIEF**

Upon consideration of the *Motion of the Debtor and Debtor ~~in~~ Possession for Entry of
an Order Under 11 U.S.C. §§ 105(a), 363 and 365 (I)(A) Approving and Authorizing the Sale of
Substantially All of the Debtor's Assets Pursuant to the Successful Bidder's Asset Purchase
Agreement Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (B)
Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired*

¹ The last four digits of the Debtor's taxpayer identification number are (9733).[⊥]

Leases Related Thereto; and (C) Granting Related Relief [Docket No. 62] (the “Sale Motion”), and the Motion of the Debtor and Debtor in Possession to Amend Sale Order and Asset Purchase Agreement [Docket No. 290] and Motion of the Debtor and Debtor in Possession for Entry of an Order Under 11 U.S.C. § 365 and Bankruptcy Rules 6006 and 9014 Authorizing the Debtor to Reject the Medicare and Medicaid Provider Agreements [Docket No. 291] (together, the “Motion to Amend”), the Court having entered on September 2, 2014, its *Order (A) Approving and Authorizing Bidding Procedures in Connection with the Sale of Substantially All of the Debtor’s Assets; (B) Scheduling the Related Auction and Hearing to Consider Approval of the Sale; (C) Approving Procedures Related to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (D) Approving the Form and Manner of Notice thereof; and (E) Granting Related Relief* [Docket No. 86] (the “Bid Procedures Order”);² the Court having entered on October 27, 2014, its Order Granting Motion of the Debtor and Debtor in Possession for Entry of an Order Under 11 U.S.C. §§ 105(a), 363 and 365 (A) Approving and Authorizing the Sale of Substantially All of the Debtor’s Assets Pursuant to the Successful Bidder’s Asset Purchase Agreement Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (C) Granting Related Relief [Docket No. 211] (the “Sale Order”), the Court having held a hearing (the “Sale Hearing”) on October 22, 2014, to consider the Sale Motion, the Court having held a hearing on December 29, 2014 to consider the Motion to Amend and the relief granted in this Amended Sale Order; the Court having found that (i) the Court has jurisdiction to consider the Sale Motion and Motion to Amend in accordance with 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this district pursuant to 28 U.S.C. §§

² Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Sale Motion, the Bid Procedures Order and the *Brief In Support of Motion of the Debtor and Debtor In Possession for Entry of an Order Under 11 U.S.C. §§ 105(a), 363 and 365 (I)(A) Approving and Authorizing the Sale of Substantially All of the Debtor’s Assets Pursuant to the Successful Bidder’s Asset Purchase Agreement Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (C) Granting Related Relief* [Docket No. 181] (the “Sale Brief”).

1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having considered the Sale Motion, ~~its~~the Motion to Amend, their supporting materials, and all responses thereto; and after due deliberation thereon; and it appearing that the entry of this Amended Sale Order and granting the relief set forth herein are in the best interests of the Debtor and its bankruptcy estate; and good and sufficient cause having been shown;

AND IT IS FURTHER FOUND AND DETERMINED THAT:

A. As evidenced by certificates filed with the Court, proper, timely, adequate, and sufficient notice of, and a reasonable opportunity to object or otherwise to be heard regarding, (i) the entry of the Bid Procedures Order and the dates and deadlines set forth therein, including the procedures required for the submission of Qualified Bids for the Assets and for participation by interested bidders at the Auction; (ii) the Sale Motion; (iii) the Sale Hearing; ~~and~~ (iv) the transactions contemplated under the Asset Purchase Agreement of Prime Healthcare Services Monroe LLC (the “Successful Bidder”), including the sale of the Assets (the “Sale”); ~~and (v) the~~ Motion to Amend, has been provided as required by the Bid Procedures Order, and the same constitutes good and sufficient notice of, and a reasonable opportunity to object or be heard regarding the Sale Motion, the Auction, the Sale Hearing, the Motion to Amend, and the entry of this Amended Sale Order, under sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6006 and 9014, and the Bid Procedures Order. No other or further notice of, opportunity to object to, or other opportunity to be heard regarding, the Sale Motion, the Sale Hearing, the Motion to Amend or the entry of this Amended Sale Order need be given to any entity.

B. As demonstrated by the representations of counsel made on the record at the Sale Hearing, the Debtor and its professionals and other representatives have complied in all respects and in good faith with the Bid Procedures Order, including by affording entities that expressed an interest in submitting a Qualified Bid a full, fair, and reasonable opportunity to obtain necessary due diligence information and to submit the materials required under the Bid

Procedures Order by the Bid Deadline.

C. The Auction (i) was held as provided in the Bid Procedures Order on October 13, 2014; (ii) was conducted pursuant to procedures established in good faith and in compliance with the Bid Procedures Order, and (iii) afforded a full, fair and reasonable opportunity for any party that submitted a timely Qualified Bid to make a higher or otherwise better offer for the Assets than that of the Successful Bidder. At the conclusion of the Auction, the Debtor determined that the Successful Bidder's bid for the Assets, as described in the Successful Bidder's Asset Purchase Agreement was the highest and otherwise best bid. The Debtor, in consultation with MPT and UFS, determined not to designate a Back-Up Bidder.

D. The Debtor is the sole and lawful owner of, and has clear and marketable title to, the Assets to be sold, including all items of personal property owned by the Debtor as identified in the Successful Bidder's Asset Purchase Agreement.

E. Both the Debtor and the Successful Bidder acknowledged on the record during the Auction that UFS's equipment lease with the Debtor was a true lease and that the term "Assets" as used in the Successful Bidder's Asset Purchase Agreement (and this [Amended Sale Order](#)) does not include any of the personal property subject to the UFS lease. The Successful Bidder has offered to purchase the Assets free and clear of all Liens (defined below), to the full extent authorized under section 363(f) of the Bankruptcy Code, with the same to attach to the proceeds of the Sale, if any, with the same validity and priority and to the same extent as existed before the Sale. The Successful Bidder would not enter into the Successful Bidder's Asset Purchase Agreement to purchase the Assets other than through a sale of such Assets free and clear of all Liens.

F. The offer to purchase the Assets made by the Successful Bidder, under the terms and conditions set forth in the Successful Bidder's Asset Purchase Agreement: (i) represents the highest or otherwise best offer obtained for the Assets; (ii) is for fair, adequate, and sufficient

consideration that constitutes reasonably equivalent value for the Assets being conveyed to the Successful Bidder; and (iii) would not have been made by the Successful Bidder absent the protections afforded to the Successful Bidder by the Successful Bidder's Asset Purchase Agreement, the Bankruptcy Code and this [Amended Sale](#) Order.

G. The Debtor's determination, in consultation with MPT and UFS, that the Sale to the Successful Bidder, pursuant to the Successful Bidder's Asset Purchase Agreement, provides the highest or otherwise best offer for the Assets, and its related decision to sell the Assets to the Successful Bidder, each constitutes a reasonable exercise of the Debtor's business judgment and each is in the best interests of the Debtor, its bankruptcy estate, and its creditors. The Debtor has articulated sound business reasons for consummating the Successful Bidder's Asset Purchase Agreement and for selling the Assets outside of a plan of reorganization or liquidation. It is a reasonable exercise of the Debtor's business judgment to execute, deliver, and consummate the Successful Bidder's Asset Purchase Agreement and consummate the transactions contemplated by the Successful Bidder's Asset Purchase Agreement, subject to this [Amended Sale](#) Order. The facts and circumstances stated herein demonstrate the exigent nature of the Debtor's business situation, to support the sale of the Assets at this stage of the Chapter 11 Case, and outside a plan of reorganization and/or liquidation.

H. Each entity with a Lien in any of the Assets to be transferred on the Closing Date has (i) consented to, or is deemed to have consented to, the Sale free and clear of such Lien, (ii) could be compelled in a legal or equitable proceeding to accept money in satisfaction of such Lien, or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code and has been satisfied as to all such Liens. Those holders of Liens who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented to entry of this [Amended Sale](#) Order pursuant to section 363(f)(2) of the Bankruptcy Code. Each holder of a Lien that did not so object is adequately protected by having its Lien, if any, attach to the net cash proceeds of the Sale ultimately attributable to the property against or in which it asserts a

Lien, with same validity and priority, and to the same extent, as existed before the Sale, and subject to the terms of the instruments that created such Lien and to any claims and defenses the Debtor and its bankruptcy estate may possess with respect thereto. Therefore, approval of the Successful Bidder's Asset Purchase Agreement and consummation of the Sale free and clear of Liens is appropriate pursuant to section 363(f) of the Bankruptcy Code.

I. The Successful Bidder is not holding itself out to the public as a continuation of the Debtor and no common identity of directors, stockholders, members, or other equity holders exists between the Successful Bidder and the Debtor. The transactions contemplated by the Successful Bidder's Asset Purchase Agreement do not amount to a consolidation, merger, or *de facto* merger of the Successful Bidder and the Debtor and/or the Debtor's bankruptcy estate; there is neither substantial continuity of enterprise between the Debtor and the Successful Bidder, nor is the Successful Bidder a mere continuation of the Debtor or its bankruptcy estate, and the Successful Bidder does not constitute a successor to the Debtor or its bankruptcy estate.

J. To the fullest extent authorized by section 363(f) of the Bankruptcy Code, the Successful Bidder's acquisition of the Assets shall be free and clear of any successor liability claims of any nature whatsoever, whether known or unknown and whether asserted or unasserted as of the Closing.

K. The transfer of the Assets to the Successful Bidder is or will be a legal, valid, and effective transfer of the Assets, and will vest the Successful Bidder on the Closing Date (as defined in the Successful Bidder's Asset Purchase Agreement) with all right, title, and interest in and to the Assets, free and clear of the Liens, except those explicitly and expressly excluded by the Successful Bidder in the Successful Bidder's Asset Purchase Agreement or this [Amended Sale Order](#).

L. The Successful Bidder's Asset Purchase Agreement and the transactions contemplated thereunder were negotiated at arm's length, without collusion, and in good faith

within the meaning of section 363(m) of the Bankruptcy Code.

M. The Debtor and the Successful Bidder did not engage in any conduct that would allow the Successful Bidder's Asset Purchase Agreement to be set aside pursuant to section 363(n) of the Bankruptcy Code.

N. 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.

O. To the extent any of the 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.

IT IS HEREBY ORDERED THAT:

1. The Sale Motion ~~is~~ and Motion to Amend are GRANTED as set forth herein.
2. All objections and responses to the Sale Motion and the Motion to Amend that have not been overruled, withdrawn, waived, settled or resolved, and all reservations of rights included therein, are hereby overruled and denied.
3. The Debtor, in transferring the Assets pursuant to this Amended Sale Order and section 363 of the Bankruptcy Code, is deemed, under section 1007(a) of the Bankruptcy Code, to have all rights and powers to perform all the functions and duties of a trustee serving in a case under chapter 11, and will transfer the property pursuant to this Amended Sale Order.
4. The Sale of the Assets to the Successful Bidder under the Successful Bidder's Asset Purchase Agreement constitutes a transfer for reasonably equivalent value and fair consideration. The Sale of the Assets to the Successful Bidder is a legal, valid, and effective transfer of the Assets notwithstanding any requirement for approval or consent of any entity.
5. To the fullest extent permitted by applicable law, neither the Successful Bidder nor its affiliates, successors or assigns shall, as a result of the consummation of the transactions

set forth in the Successful Bidder's Asset Purchase Agreement: (i) be a successor to the Debtor or the Debtor's bankruptcy estate; (ii) have, *de facto* or otherwise, merged consolidated with or into the Debtor or the Debtor's bankruptcy estate; (iii) be a continuation or substantial continuation of the Debtor or any enterprise of the Debtor; or (iv) be a joint employer or co-employer with, or successor employer of the Debtor. The Successful Bidder shall not assume, nor be deemed to assume or in any way be responsible for any liability or obligation of the Debtor and/or its bankruptcy estate.

6. Pursuant to sections 105 and 363(b) and (f) of the Bankruptcy Code, title to the Assets shall pass to the Successful Bidder on the Closing Date, free and clear of any and all liens (including mechanics', materialmen's, and other consensual and nonconsensual liens and statutory liens), security interests, encumbrances and claims (including, but not limited to, any "claim" as defined in section 101(5) of the Bankruptcy code), reclamation claims, mortgages, deeds of trust, pledges, any liabilities or obligations under any State or Federal WARN Act or similar law, any liabilities or obligations under COBRA, covenants, restrictions, hypothecations, charges, indentures, loan agreements, instruments, contracts, leases, licenses, options, rights of first refusal, rights of offset, recoupment, rights of recovery, judgments, orders and decrees of any court of foreign or domestic governmental entity, claims for reimbursement, contribution, indemnity or exoneration, assignment, debts, charges, suits, rights of recovery, interests, products liability, alter-ego, environmental, successor liability, tax and other liabilities, causes of action and claims, to the fullest extent of the law, in each case whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or noncontingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, or known or unknown, whether arising prior to, on, or subsequent to the Petition Date, whether imposed by agreement, understanding, law, equity or otherwise (collectively, the "Liens"), with all such Liens upon the Assets to be unconditionally released, discharged, and

terminated as against either the Assets or the Successful Bidder. Any such Liens shall attach to the proceeds of the sale of the Assets with the same priority, validity, force, and effect (if any) as existed with respect to the Assets as of the Petition Date.

7. The provisions of this [Amended Sale](#) Order authorizing the Sale of the Assets free and clear of Liens shall be self-executing, and neither the Debtor nor the Successful Bidder shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the foregoing provisions of this [Amended Sale](#) Order; provided, however, that this paragraph shall not excuse such parties from performing any and all of their respective obligations under this [Amended Sale](#) Order or the Successful Bidder's Asset Purchase Agreement. All persons and entities (a) holding Liens on the Assets, (b) that have filed financing statements, mortgages, or other documents or instruments evidencing claims against the Assets, or (c) otherwise asserting claims against the Assets shall, and hereby are directed to, execute and deliver to the Successful Bidder such releases or termination statements to effectuate the Sale of the Assets to the Successful Bidder free and clear of any and all Liens. UFS is excluded from this requirement as it holds a true lease and all of the personal property under such lease is excluded from the definition of the Assets.

8. Effective on the Closing Date, all parties and/or entities asserting Liens and contract rights against the Debtor and/or any of the Assets are hereby permanently enjoined and precluded from, with respect to such Liens: (i) asserting, commencing, or continuing in any manner any action against the Prime Entities (each a "[Protected Party](#)," and all such entities collectively, the "[Protected Parties](#)"), or against any Protected Party's assets or properties, including without limitation against the Assets; (ii) the enforcement, attachment, collection, or recovery, by any manner or means, of any judgment, award, decree, or order against the Protected Parties or any properties or Assets of the Protected Parties; (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Protected Parties or any properties or Assets

of the Protected Parties, including without limitation the Assets; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Protected Parties; and (v) taking any action, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this [Amended Sale](#) Order or the Successful Bidder's Asset Purchase Agreement. Neither the Successful Bidder nor the Debtor is required to comply with any "bulk sale" or similar laws relating to the transfer of the Assets.

9. The Debtor is authorized to assume the Stalking Horse Agreement, as such agreement may have been, and may be, modified since the filing of the Bid Procedures Motion, and such agreement is hereby deemed to be the Successful Bidder's Asset Purchase Agreement.

10. The Successful Bidder's offer for the Assets, as embodied in the Successful Bidder's Asset Purchase Agreement, is the highest and best offer for the Assets and is hereby approved subject to the condition set forth in paragraph 12 of this [Amended Sale](#) Order.

11. The Successful Bidder's Asset Purchase Agreement, substantially in the form attached as [Exhibit AB](#) to the ~~Sale Brief~~[Motion to Amend](#), is hereby approved pursuant to section 363(b) of the Bankruptcy Code and, subject to the condition set forth in paragraph 12 of this [Amended Sale](#) Order, the Debtor is authorized and directed to consummate and perform all of its obligations under the Successful Bidder's Asset Purchase Agreement and to execute such other documents and take such other actions as are necessary or appropriate to effectuate the Successful Bidder's Asset Purchase Agreement. For the avoidance of doubt, the Debtor and the Successful Bidder may make minor changes to the Successful Bidder's Asset Purchase Agreement up to the closing of the Sale, provided that the Debtor files a copy of the final executed version of the Successful Bidder's Asset Purchase Agreement in the Chapter 11 Case [if the Successful Bidder's Asset Purchase Agreement is modified following entry of this Amended Sale Order](#).

12. Notwithstanding anything to the contrary in this [Amended Sale](#) Order or the Successful Bidder's Asset Purchase Agreement, (a) if the Debtor and Successful Bidder wish to

obtain approval of the transfer of Nuclear Regulatory Commission (“NRC”) Materials License No.13-32773-01, the Debtor and Successful Bidder shall comply with all NRC rules and regulations governing requests for transfer, including but not limited to the procedures set forth in 10 CFR Part 2, Subpart M (10 CFR §§ 2.1300 – 2.1331) ; (b) nothing in this Amended Sale Order or the Successful Bidder’s Asset Purchase Agreement authorizes the Successful Bidder to possess, transfer, or store license radioactive material without obtaining a valid NRC license; and (c) the Debtor’s NRC License No.13-32773-01 shall remain and will continue to remain in effect and shall be complied with by the Debtor in accordance with Sections 81, 161, and 183 of the Atomic Energy Act of 1954, as amended (42 U.S.C. §§ 2111, 2201, 2233), and NRC’s regulations at 10 CFR section 30.34 with respect to the possession, transfer, and storage of licensed radioactive material remaining in the Debtor’s possession, as contamination or in other forms, unless and until the NRC notifies the Debtor in writing that the license has been transferred or terminated.

13. The Debtor is a party to ~~a Medicare provider agreement with the Secretary of the United States Department of Health and Human Services, and its component agency, the Centers for Medicare & Medicaid Services (“CMS”), to receive payment for services provided to Medicare beneficiaries pursuant to the provisions of, and regulations promulgated under, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk (the “Medicare Statute”).~~ Notwithstanding any other provision in the Sale Motion, this Order, the Successful Bidder’s Asset Purchase Agreement, or any other document implementing the Sale, the Debtor’s Medicare provider agreements shall be assumed by the Debtor and assigned to the Successful Bidder in accordance with the Medicare Statute, the regulations promulgated thereunder, and CMS Medicare policies and procedures. certain provider agreements related to Medicare and Medicaid and which are set forth on schedule 3.8 of the Successful Bidder’s Asset Purchase Agreement (together, the “Medicare and Medicaid Provider Agreements”). Effective as of the Closing Date, the Debtor shall reject the Medicare and Medicaid Provider Agreements and is

authorized to take all such further steps as will be necessary to terminate the Medicare and Medicaid Provider Agreements. The Debtor will not assign the Medicare and Medicaid Provider Agreements to the Successful Bidder. What is more, notwithstanding anything in the Sale Order, the Successful Bidder shall not be in any way liable under the Medicare and Medicaid Provider Agreements. Consistent with the terms of the *Order Granting Motion of the Debtor and Debtor in Possession for an Order Establishing Deadlines for Filing proofs of Claim and Section 503(b)(9) Claim requests and Approving the Form and Manner of Notice Thereof* [Docket No. 135], the counterparties to the Medicare and Medicaid Provider Agreements, including, but not limited to, the Centers for Medicare & Medicaid Services, are required to file any proofs of claim asserting claims against the Debtor for damages related to the Medicare and Medicaid Provider Agreements and the rejection thereof within thirty (30) days after the Closing Date.

~~14. Notwithstanding any other provision in the Sale Motion, this Order, the Successful Bidder's Asset Purchase Agreement, or any other document implementing the Sale, in accordance with the Medicare Statute and applicable regulations, policies, and procedures, payments to the Successful Bidder (or any future assignee under the provisions of Medicare law) will be or may be adjusted (in accordance with 42 U.S.C. § 1395g(a)) to account for prior overpayments and underpayments, regardless of whether they relate to pre-sale or post-sale cost periods. Successful Bidder understands and accepts that once the Medicare provider agreement has been assigned to Successful Bidder, CMS may seek to recover solely against Successful Bidder for any obligations arising out of or related to the Medicare provider agreement without regard to when they arise and without regard to the basis for the obligations.~~

~~15. Notwithstanding any provisions in the Sale Motion, this Order, the Successful Bidder's Asset Purchase Agreement or any other document implementing the Sale, the Medicare provider agreements shall be governed exclusively and solely by the Medicare Statute, the regulations promulgated thereunder, and CMS Medicare policies and procedures, without regard to the Bankruptcy Code or Bankruptcy Rules, including, but not limited to, the adjustment of~~

~~ongoing payments to the Successful Bidder, or its successor(s), to recover any overpayments and release any underpayments (in both cases, including those related to any reimbursement appeals).~~

14. ~~16.~~ Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, and subject to the condition set forth in paragraph 12 of this Amended Sale Order, the Sale by the Debtor to the Successful Bidder of the Assets and transactions related thereto, upon the closing under the Successful Bidder's Asset Purchase Agreement, are authorized and approved in all respects. Nothing contained in any chapter 11 plan confirmed in the Chapter 11 Case or the order confirming any chapter 11 plan, nor any order dismissing or converting the Chapter 11 Case shall conflict with or derogate from the provisions of the Successful Bidder's Asset Purchase Agreement, any documents or instrument executed in connection therewith, or the terms of this Amended Sale Order.

15. ~~17.~~ The terms of this Amended Sale Order shall be binding on the Successful Bidder and its successors and assigns, the Debtor, creditors of the Debtor and on all other parties in interest in this Chapter 11 Case, and any successors of the Debtor, including any trustee or examiner appointed in the Chapter 11 Case or upon a conversion of the Chapter 11 Case to a proceeding under chapter 7 of the Bankruptcy Code.

16. ~~18.~~ The Successful Bidder is a good faith purchaser entitled to the benefits and protections afforded by section 363(m) of the Bankruptcy Code.

17. ~~19.~~ With respect to the transactions consummated pursuant to this Amended Sale Order, this Amended Sale Order shall be the sole and sufficient evidence of the transfer of title to the Successful Bidder, and the sale transaction consummated pursuant to this Amended Sale Order shall be binding upon and shall govern the acts of all 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 of the property sold pursuant to this Amended Sale

Order, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, administrative agencies, governmental departments, secretaries of state, and federal, state, and local officials, and each of such persons and entities is hereby directed to accept this [Amended Sale](#) Order as sole and sufficient evidence of such transfer of title and shall rely upon this [Amended Sale](#) Order in consummating the transactions contemplated hereby.

18. ~~20.~~ Pursuant to section 105 of the Bankruptcy Code, creditors of the Debtor are prohibited from taking any actions against the Successful Bidder or the Assets; provided, however, that nothing in this paragraph shall prevent any party from seeking to enforce against the Successful Bidder any applicable rights or obligations under the Successful Bidder's Asset Purchase Agreement.

19. ~~21.~~ The Sale contemplates the sale of substantially all of the Debtor's Assets, including "personally identifiable information" contained in the Hospital's files. A condition of the Sale is that the Successful Bidder will become the Debtor's successor-in-interest as to the "personally identifiable information" and to use the information only in accordance with the privacy policy of the Debtor or a similarly stringent policy that complies with the Health Insurance Portability and Accountability Act of 1996 and all regulations promulgated pursuant thereto, including the Transaction Code Set Standards, the Privacy Rules and the Security Rules set forth at 45 C.F.R. Parts 160 and 164.

20. ~~22.~~ Except as otherwise provided for herein and in the Successful Bidder's Asset Purchase Agreement, the transfer of the Assets and the assumption of the Assumed Contracts, as provided in Section 2.7 of the Successful Bidder's Asset Purchase Agreement, does not and will not subject the Successful Bidder and/or its affiliates, designees, assignees, successors, or any of their properties, assets, officers, directors, members, employees, or equity holders (together with Successful Bidder, the "Prime Entities") to any liability by reason of such transfers and assignments under the laws of the United States, any state, territory, or possession thereof, or the

state of Indiana based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of successor or transferee liability, persons and entities' hereby are forever barred, estopped, and permanently enjoined from asserting such persons' or entities' Liens against the Prime Entities.

21. ~~23.~~ The Debtor and the Debtor's estates, on the one hand, and the Prime Entities, on the other hand, hereby release each other from any and all claims except for such claims that arise from the Successful Bidder's Asset Purchase Agreement and this [Amended Sale](#) Order.

22. ~~24.~~ This Court retains jurisdiction to interpret, implement, and enforce the provisions of, and resolve any disputes arising under or related to, this [Amended Sale](#) Order and the Successful Bidder's Asset Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith.

23. ~~25.~~ The failure specifically to include any particular provisions of the Successful Bidder's Asset Purchase Agreement or any of the documents, agreements or instruments executed in connection therewith in this [Amended Sale](#) Order shall not diminish or impair the force of such provision, document, agreement, or instrument, it being the intent of the Court that the Successful Bidder's Asset Purchase Agreement and each document, agreement, or instrument be authorized and approved in its entirety.

24. ~~26.~~ The Successful Bidder's Asset Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor's bankruptcy estate.

25. ~~27.~~ Pursuant to sections 365(a), (b), (c), and (f) of the Bankruptcy Code, the Debtor is authorized to assume the Assumed Contracts ~~subject to the procedures provided herein~~; provided, however, that there shall be no assumption of any such Assumed Contract absent simultaneous assignment thereof to the Successful Bidder.

~~28. The Debtor agrees to the cure amount of \$8,076.50 set forth in the CMS Objection for the Medicare Provider Agreement (as defined in the CMS Objection) that is being assumed by the Debtor and assigned to the Successful Bidder.~~

26. ~~29.~~ The Assumed Contracts identified in Schedule 2.7 of the Successful Bidder's Asset Purchase Agreement are deemed assumed by the Debtor and assigned to the Successful Bidder effective as of the Closing Date.

27. ~~30.~~ Notwithstanding Section 2.7 and Schedule 2.7 of the Successful Bidder's Asset Purchase Agreement, ~~no later than ten (10) days prior to the Closing Date,~~ the Successful Bidder ~~may serve~~has timely served written notice to the Debtor of Successful Bidder's modification of Schedule 2.7 of the Successful Bidder's Asset Purchase Agreement to add ~~any~~certain executory contract or unexpired lease as an Assumed Contract (each an "Additional Assumed Contract" and collectively, the "Additional Assumed Contracts"), it being understood and agreed that ~~any such~~the assumption and assignment shall be treated consistent with the terms of the Successful Bidder's Asset Purchase Agreement and this Amended Sale Order.

28. ~~31. Not later than seven (7) days prior to the Closing Date, the Debtor shall file~~The Debtor has timely filed with the Court and ~~serve~~served a notice of proposed assumption and assignment of the Additional Assumed Contracts on all counterparties to such contracts, MPT, UFS, the Successful Bidder, and the United States Trustee, identifying (i) the executory contract or lease sought to be assumed and assigned; (ii) the parties to such contract or lease; and (iii) the proposed cure amount. ~~If no objection to the proposed assumption and assignment of an~~Such Additional Assumed Contract ~~stating with particularity the legal and factual grounds for such an objection is filed with the Court and served upon counsel to the Debtor, MPT, UFS, and the Successful Bidder not later than the day prior to the day of the hearing set forth in Paragraph 32 of this Order, such Additional Assumed Contract shall be~~are hereby deemed assumed and assigned to the Successful Bidder effective as of the Closing Date, with the cure amount as stated in the notice.

~~32. The Court will conduct a hearing on November 5, 2014 at 1:30 p.m. (Eastern) at United States Bankruptcy Court for the Southern District of Indiana, Room 310, 46 East Ohio Street, Indianapolis, Indiana 46204 to consider any timely filed and served objections to the assumption and assignment of any Additional Assumed Contracts (the “Disputed Assumed Contracts”). Any Disputed Assumed Contract for which the Court, following a hearing on such matters, determines a cure amount which Successful Bidder is unwilling to pay, or does not authorize the assumption and assignment of such contract to Successful Bidder on any other grounds, shall be rejected. Notwithstanding anything to the contrary herein or in the Successful Bidder’s Asset Purchase Agreement, Successful Bidder shall be solely responsible for performance of all obligations and payment of all amounts arising under the Disputed Assumed Contracts between the Closing Date and the rejection date of each such contract.~~

~~33. With respect to any unresolved dispute related to cure amounts of Assumed Contracts, the Debtor shall reasonably cooperate with Successful Bidder by means of providing information, documentation, testimony, or otherwise in aid of Successful Bidder’s attempt to resolve such disputes, provided, however, that Successful Bidder shall be responsible for all costs and expenses incurred by the Debtor in providing such reasonable cooperation.~~

29. ~~34.~~ As part of its consideration for the Assets and except as provided in and limited by the Successful Bidder’s Asset Purchase Agreement with respect to Cure Payments (as defined therein), Successful Bidder will cure any and all defaults with respect to the Assumed Contracts and compensate all counterparties for any actual pecuniary loss resulting from such defaults.

30. ~~35.~~ On or as promptly after the Closing Date as is practical, the cure amounts relating to Assumed Contracts to which Successful Bidder and the applicable contracting counterparty have agreed or that have been fixed by operation of this Amended Sale Order as to the allowed cure amount(s) shall be paid by Successful Bidder. Cure amounts for Assumed Contracts for which disputes exist shall be paid the later of (i) on or as promptly after the Closing

Date as is practical, or (ii) ten (10) days after a final, non-appealable order is entered by the Court, provided that Successful Bidder has designated the executory contract or unexpired lease as an Assumed Contract. Payment of the cure amounts shall be deemed to discharge all of the Debtor's obligations to: (i) cure, or provide adequate assurance that the Debtor will promptly cure, any defaults under the Assumed Contracts; and (ii) compensate, or provide adequate assurance that the Debtor will promptly compensate, any counterparty to the Assumed Contracts for any actual pecuniary loss resulting from any default under the Assumed Contracts. Pursuant to section 365(k) of the Bankruptcy Code, the Debtor shall have no liabilities for any claims arising or relating to or accruing post-Closing under any of the Assumed Contracts.

31. ~~36.~~ Except as provided in the Successful Bidder's Asset Purchase Agreement and this Amended Sale Order, the Debtor shall be responsible for all obligations that arise between the Petition Date and Closing Date relating to all Assumed Contracts unless otherwise agreed to by and between the Debtor, Successful Bidder and the counterparty to the Assumed Contract.

32. ~~37.~~ In accordance with sections 365(b)(2) and (f) of the Bankruptcy Code, upon assignment of the Assumed Contracts to Successful Bidder, (i) Successful Bidder shall have all of the rights of the Debtor thereunder and each provision of such Assumed Contracts shall remain in full force and effect for the benefit of Successful Bidder notwithstanding any provision in any such Assumed Contract or in applicable law that prohibits, restricts or limits in any way such assignment or transfer, and (ii) no Assumed Contract may be terminated, or the rights of any party modified in any respect, including pursuant to any "change of control" clause, by any other party thereto as a result of the consummation of the transactions contemplated by the Successful Bidder's Asset Purchase Agreement.

33. ~~38.~~ Any party to a personal services contract that has not objected to the assignment thereof is deemed to consent to such assignment pursuant to 11 U.S.C. § 365(c) to the extent that such contract is an Assumed Contract.

34. ~~39.~~ The failure of the Debtor or Successful Bidder to enforce, at any time, one of more terms or conditions of any Assumed Contract shall not be a waiver of such terms and conditions or of the Debtor's or Successful Bidder's rights to enforce every term and condition of the Assumed Contracts.

35. ~~40.~~ Except as provided herein, unless and until an Assumed Contract is assumed and assigned pursuant to the terms of this Amended Sale Order, Successful Bidder shall have no liability under any such Assumed Contract; provided however, that Successful Bidder shall remain solely responsible for all accrued but unpaid costs and obligations arising under such contracts between the Closing Date and the assumption/assignment or rejection date.

36. ~~41.~~ Notwithstanding anything set forth herein to the contrary, Successful Bidder shall have the right to object to the validity of any Lien or Claim or the amount thereof (including, but not limited to, any cure amount) that Successful Bidder agrees to pay or assume herein or pursuant hereto and Debtor shall provide all reasonably requested assistance in prosecuting such objection consistent with the terms hereof and the Successful Bidder's Asset Purchase Agreement.

37. ~~42.~~ In the event that the Sale does not close, none of the Debtor's executory contracts and leases shall be assumed or rejected by virtue of this Amended Sale Order and shall remain subject to further administration in this case.

38. ~~43.~~ Successful Bidder shall not be deemed to be a joint employer, single employer, co-employer, or successor employer with the Debtor for any purpose or under the laws of the United States, any state, territory, or possession thereof, or the state of Indiana and, except as specifically set forth in the Successful Bidder's Asset Purchase Agreement, Successful Bidder shall not have any obligation to pay any past wages, benefits, or severance pay or extend or make any benefits or benefit programs, including COBRA or any similar laws or regulations, to any of Debtor's employees or former employees, including any such employees who may become employees of Successful Bidder.

39. ~~44.~~ Nothing in this Amended Sale Order or the Successful Bidder's Asset Purchase Agreement authorizes the transfer or assignment of any governmental: (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements under relevant police or regulatory law.

40. ~~45.~~ Notwithstanding anything to the contrary under applicable state and federal law, upon the Closing the Debtor shall not be required to maintain any of the Patient Records or Business Records sold to the Successful Bidder except as provided in section 5.1 of the Successful Bidder's Asset Purchase Agreement.

41. ~~46.~~ The Debtor is hereby authorized to (a) take all other and further actions as may be reasonably necessary consummate and implement the Sale; (b) perform all obligations under the Successful Bidder's Asset Purchase Agreement, and (c) execute all other documents and instruments related to and connected with the Sale and the consummation thereof, all without any further corporate action or order of the Bankruptcy Court.

42. ~~47.~~ To the extent there are any inconsistencies between the terms of this Amended Sale Order, the Sale Order, the Successful Bidder's Asset Purchase Agreement, and any prior order or pleading with respect to the Sale Motion in the Chapter 11 Case, the terms of this Amended Sale Order shall govern.

43. Notwithstanding anything in Bankruptcy Rule 6004, each provision of this Amended Sale Order shall be effective immediately upon its entry by the Court unless a particular provision of this Amended Sale Order specifically provides otherwise.

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Padding cell	

Statistics:	
	Count
Insertions	68
Deletions	54
Moved from	3
Moved to	3
Style change	0
Format changed	0
Total changes	128

Exhibit B

(Amended Successful Bidder's Asset Purchase Agreement)

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

MONROE HOSPITAL, LLC

(AS SELLER)

AND

PRIME HEALTHCARE SERVICES - MONROE, LLC

(AS PURCHASER)

Dated as of December 16, 2014

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made as of the 16th day of December, 2014, by and between Monroe Hospital, LLC, an Indiana limited liability company (“Seller”) and Prime Healthcare Services – Monroe, LLC, a Delaware limited liability company (“Purchaser”).

WITNESSETH:

WHEREAS, on August 8, 2014 (the “Petition Date”), Seller filed a voluntary petition for relief under the Bankruptcy Code in the Bankruptcy Court and currently Seller is a debtor-in-possession in its Bankruptcy Case entitled to exercise all of the rights and powers provided for in Section 1107 of the Bankruptcy Code;

WHEREAS, Seller presently owns and operates the Hospital, provides hospital services and other health care programs and services at the Hospital;

WHEREAS, Seller desires to sell to Purchaser all right, title and interest of the Seller and its bankruptcy estate in, to and under the Assets and to assign to Purchaser the Assumed Contracts, on the terms and conditions set forth in this Agreement, pursuant to Sections 363 and 365 of the Bankruptcy Code;

WHEREAS, Purchaser desires to purchase from Seller all right, title and interest of the Seller and its bankruptcy estate in, to and under the Assets and to assume the Assumed Contracts, on the terms and conditions set forth in this Agreement, pursuant to Sections 363 and 365 of the Bankruptcy Code; and

WHEREAS, the execution and delivery of this Agreement and Seller’s ability to consummate the transactions set forth in this Agreement are subject to entry of the Sale Order and the Bid Procedures Order.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 **Certain Definitions.** For purposes of this Agreement, defined terms used herein have the meanings specified in this Section 1.1.

“Action” means any suit, action, Claim, hearing, administrative action, demand, demand letter, Governmental investigation, notice of violation, or proceeding arising out of any violation or alleged violation of any Law or any breach or alleged breach of any Contract or Order.

“Affiliate” means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person referred

to. In this definition, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of securities, by contract, or otherwise.

“Agreement” means this Agreement, as hereafter amended, supplemented or otherwise modified.

“Assets” has the meaning ascribed to it in Section 2.1 herein, provided that (whether or not expressly stated) for all purposes of this Agreement, Assets excludes Excluded Assets.

“Assumed Contracts” has the meaning ascribed to in Section 2.7.

“Assumed Liabilities” has the meaning ascribed to it in Section 2.8.

“Auction” means the auction process described in the Bid Procedures.

“Authorizations” means all Healthcare Regulatory Consents, Permits, licenses, certificates, grants or other authorizations of Governmental Authorities.

“Bankruptcy Case” means the case commenced by Seller under chapter 11 of the Bankruptcy Code, styled *In re Monroe Hospital, LLC*, Case No. 14-14-07417 (JMC) pending before the Bankruptcy Court.

“Bankruptcy Code” means title 11 of the United States Code Section 101, et seq. (11 U.S.C. § 101, *et seq.*).

“Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of Indiana and, to the extent of the withdrawal of any reference made pursuant to 28 U.S.C. § 157, the United States District Court for the Southern District of Indiana with jurisdiction over Seller’s Bankruptcy Case.

“Bid Procedures” means the bid procedures approved by the Bid Procedures Order.

“Bid Procedures Order” means an Order reasonably satisfactory to Seller and Purchaser (I) approving in all material respects Bid Procedures related to the Seller’s sale of substantially all of its Assets and assumption of certain related executory contracts and unexpired leases pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bank. P. 6004, 6006 and 9014; (II) Scheduling (A) Auction Sale with Respect to the Seller’s Assets and (B) Hearing Date to Confirm Sale; (III) Approving the Form, Manner and Sufficiency of Notice; and (IV) Granting Related Relief of the Bankruptcy Court entered September 2, 2014 docket no. 86 and all exhibits thereto, as amended from time to time.

“Bill of Sale” has the meaning ascribed to it in Section 2.6.

“Books and Records” includes, without limitation, books, ledgers, files, reports, records, inventory data, accounts receivable records, accounts payable records, vendor lists,

financing records, personnel and payroll records and other business books and records (including without limitation documents), regardless of the form of and the medium on which such books and records are maintained.

“Business” means the Hospital, the services and programs provided thereat.

“Business Day” means any day of the year, other than Saturday or Sunday, on which national banking institutions in Indiana are open to the public for conducting business and are not permitted, required, or authorized to close.

“Business Confidential Information” has the meaning ascribed to it in Section 5.15(b).

“Business Records” has the meaning ascribed to it in Section 5.1(d).

“Casualty” has the meaning ascribed to it in Section 5.10.

“Claim(s)” has the meaning given that term in Section 101(5) of the Bankruptcy Code and includes, *inter alia*, any and all deeds of trust, Liens, mortgages, assessments, security interests, encumbrances, claims, defenses, demands, damages, causes of action, offset rights, setoff rights, recoupment rights, interests, debts, obligations, guaranties, options, commitments, product liability claims (relating to all products sold or produced prior to the Closing), warranty claims, claims of employees or former employees or their beneficiaries or dependents, including but not limited to, severance or termination payments, pension or employee benefit claims, Taxes, all tort or contractual claims and any claims or obligations arising from Environmental Law, whether absolute or contingent, matured or unmatured, accrued or unaccrued, asserted or unasserted, known or unknown, in law or in equity, including, without limitation, any claims predicated upon any theory of successor liability or any similar theory, and all Liabilities or guaranties of any kind or nature, arising from or in any way connected with any action or inaction of Seller, arising prior to the Closing Date but excluding the Permitted Encumbrances.

“CLIA” means Clinical Laboratory Improvement Amendments (CLIA) of 1988, which are United States federal regulatory standards that apply to all clinical laboratory testing performed on humans in the United States.

“Closing” means the consummation of the transactions contemplated by this Agreement.

“Closing Date” means such date following the satisfaction of each Party’s conditions to Closing or, where permitted, waiver by each Party of the other Party’s conditions to Closing as set forth in Articles VI, VII and VIII to this Agreement, as shall be selected by the Parties, but in no event later than December 31, 2014 or such later date as the Parties may in writing agree; provided that if the Closing shall not have occurred by such outside date and this Agreement shall not have been terminated in accordance with its terms by Purchaser based on an uncured material breach hereunder by Seller, then Seller or Purchaser shall have the right to extend the outside closing date for an additional sixty (60) days.

“CMS” means the Centers for Medicare & Medicaid Services.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any contract, agreement, arrangement, understanding, lease, indenture, note, bond, evidence of indebtedness, license, sublicense, undertaking, binding commitment or instrument, or purchase order entered into or made by or on behalf of Seller in connection with the Business.

“Cost Reports” means all cost and other reports filed pursuant to the requirements of Healthcare Programs for payment or reimbursement of amounts due from such programs for services provided.

“Court” means any court, administrative or regulatory body, Government agency, arbitration or mediation panel or similar body.

“Cure Payments” means the amounts necessary to cure defaults, if any, under each Assumed Contract.

“Deposit Accounts” means any bank account or other account in which the Seller accepts deposits.

“DIP Lender” means MPT Development Services, Inc.

“DIP Loan Agreement” has the meaning ascribed to it in Section 2.8(c).

“Dispute” has the meaning ascribed to it in Section 11.10(a)

“Effective Time” means the effective time of the Closing, which shall be as of 12:00:01 a.m. prevailing Eastern Time, on the day following the Closing Date.

“Environmental Law” means any federal, state or local statute, law, regulation, code, ordinance, or rule of common law currently in effect relating to the protection or pollution of the environment or natural resources, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. App. § 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Clean Water Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*) the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 *et seq.*), The Medical Waste Tracking Act (42 U.S.C. § 6992 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. § 651 *et seq.*), and Title 13 of the Indiana Code and the regulations promulgated pursuant thereto.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Excluded Assets” means those assets of the Seller that are set forth on Schedule 1 attached hereto.

“Excluded Liabilities” means each and every Liability, obligation, debt or commitment of the Business or Seller, as principal, or a successor of any kind or nature (provided Seller shall take no action causing or resulting in Purchaser being deemed to be a successor owner or operator of the Business for purposes of any Environmental Law), whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, liquidated or unliquidated, due or to become due, or otherwise, other than the Assumed Liabilities.

“Excluded Records” means (a) any materials about employees, disclosure of which would violate Law, (b) any materials that are subject to a Privilege or requirement to maintain confidentiality or (c) any Patient Records but only to the extent access to Patient Records is prohibited by Law.

“Exhibits” means the exhibits provided for and referred to in this Agreement.

“Government” or “Governmental” means or refers to the United States of America, any other nation or sovereign state, any federal, bilateral or multilateral governmental authority, state, possession, territory, county, district, city or other governmental unit or subdivision, and any branch, agency, or judicial body of any of the foregoing.

“Governmental Authority” means (i) any federal, state, county, municipal or other local Government or governmental authority, including, without limitation, any regulatory or administrative agency, commission, department, board, bureau, agency, instrumentality or Court and (ii) any arbitrator or arbitral body of any Government.

“Healthcare Programs” shall have the meaning set forth in Section 3.8 of this Agreement.

“Healthcare Regulatory Consents” means in respect of Seller or Purchaser, as the case may be, such consents, approvals, authorizations, waivers, Orders, licenses or Permits of any Governmental Authority as shall be required to be obtained by such party in order for such party to consummate the transactions contemplated of it by this Agreement in compliance with all applicable Law relating to health care or healthcare services of any kind including obtaining review of the transactions by the Attorney General of the State of Indiana and judicial approval of the transactions pursuant to Indiana Regulations, including any judicial proceedings and appeals related thereto, with respect to the operation of the Business as well as any other approvals, to the extent necessary, under or through CLIA, CMS, DEA and any other approvals, authorizations, waivers, Orders, licenses or Permits of any Governmental Authority required to consummate the transactions contemplated hereby and for Purchaser to operate the Business.

“Hospital” means the hospital operated by Seller located at 4011 S. Monroe Medical Park Blvd., Bloomington, Indiana.

“Indiana Regulations” means the Indiana Code as well as the rules and regulations imposed by the Indiana State Department of Health and the Indiana Health Care Quality and Regulatory Commission.

“Joint Commission” has the meaning ascribed to it in Section 3.7(b).

“Knowledge” means (a) as to Seller, the actual knowledge of those senior managers of the Business listed on part 1 of Schedule 2 and (b) as to Purchaser, the actual knowledge of the senior managers of Purchaser’s ultimate parent company listed on Part 2 of Schedule 2.

“Landlord” shall mean MPT of Bloomington, LLC.

“Law” means any statute, law, code, treaty, ordinance, rule, regulation, instrument, directive, decree, agreement, policy, Order, consent decrees and consent orders, or injunction of or with any Government, Governmental Authority, quasi-Governmental Authority, or Court, and includes, without limitation, all judicial and administrative interpretations thereof, and all rules or regulations of any regulatory or self-regulatory authority compliance with which is required by Law.

“Liabilities” means debts and liabilities, whether known or unknown, contingent or absolute, liquidated or unliquidated, and whether or not required to be reflected on the financial statements of a business, whether arising under any Contract, Law, Lien, Order or otherwise.

“Lien” means any lien, security interest, mortgage, deed of trust, option, lease, tenancy, occupancy, covenant, condition, easement, agreement, royalty, pledge, hypothecation, charge, claim or other encumbrance.

“Liquidating Trust” means estate representative or liquidating trust relating to the Seller and each of their respective professionals.

“Master Lease” means, collectively, that certain Master Lease Agreement I, dated as of July 3, 2012, by and among certain Affiliates of Prime Health Services, Inc. (“Prime”), as lessees, and certain Affiliates of MPT, as lessors, as amended by that certain Amendment to Master Lease Agreement I, dated September 19, 2012, as further amended by that certain Second Amendment to Master Lease Agreement I, dated December 27, 2012, and as further amended by that certain Third Amendment to Master Lease Agreement I, dated June 11, 2013, as the same have been and may be further amended, modified, restated and/ or supplemented from time to time.

“Monroe Lease” has the meaning ascribed to it in Section 2.3(c).

“MPT” shall mean, collectively, MPT of Bloomington, LLC and MPT Development Services, Inc.

“Nonassignable Asset” shall have the meaning set forth in Section 2.5 of this Agreement.

“Order” means any order, judgment, writ, injunction, award or decree of any Court or Governmental Authority.

“Ordinary Course of Business” means with respect to the Business, the ordinary course of commercial operations customarily engaged in by the Business reasonably consistent with past practices.

“Party” or “party” means either Purchaser or Seller, and “Parties” means both Purchaser and Seller together.

“Patient Records” shall mean any documents containing information concerning medical, health care or behavioral health services provided to, or the medical, health care or behavioral health of any individual, or that are otherwise subject to regulation under applicable Law, including the Health Insurance Portability and Accountability Act of 1996 and all regulations promulgated pursuant thereto, including the Transaction Code Set Standards, the Privacy Rules and the Security Rules set forth at 45 C.F.R. Parts 160 and 164.

“Permits” means any approvals, authorizations, consents, licenses, permits, provider numbers, including, without limitation, Medicare and Medicaid provider numbers and agreements, certificates of need, certificates of exemption, franchises, accreditations, registrations or certificates of a Governmental Authority.

“Permitted Encumbrances” means (i) the Assumed Liabilities, (ii) those Liens or exceptions listed on or described in Schedule 5 attached hereto, and (iii) Liens imposed pursuant to any Assumed Contract.

“Permitted Parties” has the meaning ascribed to it in Section 5.1(d).

“Person” means any natural person, any corporation, partnership, limited liability company, limited liability partnership, joint venture, trust, association, company, or other legal entity, and any Government or Governmental Authority.

“Prepetition Loan Agreement” has the meaning ascribed to it in Section 2.8(d).

“Privilege” means the attorney-client privilege (including the common interest privilege) or the attorney work product doctrine.

“Property” means the real property (and the Hospital building and all other improvements thereon) located at 4011 S. Monroe, Medical Park Blvd, Bloomington, Indiana.

“Provider Agreements” has the meaning ascribed to it in Section 3.8.

“Purchased Intellectual Property Licenses” means those licenses of the Seller included within the Assets.

“Purchase Price” has the meaning ascribed to it in Section 2.12(a).

“Purchaser” has the meaning set forth in the Preamble to this Agreement.

“Real Property” means each parcel of real property included in the Assets, including, without limitation, all rights of way, easements, facilities and other improvements and

fixtures thereon and appurtenances thereto and all rights associated therewith, to the extent leased by Seller, as set forth in Schedule 6 attached hereto.

“Relating to” means arising from, in connection with or otherwise relating to. “Relates to” and “relate to” have corresponding meanings.

“Sale Hearing” means the hearing(s) on the Sale Motion held and/or to be held before the Bankruptcy Court.

“Sale Motion” means the Application in Support of Motion for Orders: (I) Approving Procedures Related to the Seller’s Sale of Substantially All its Assets and Assumption and Assignment of Certain Related Executory Contracts and Unexpired Leases Pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bank. P. 6004, 6006 and 9014; (II) Scheduling (A) Auction Sale with Respect to the Seller’s Assets and (B) Hearing Date to Confirm Sale; (III) Approving the Form, Manner and Sufficiency of Notice; (IV) Authorizing the Seller’s Sale of Substantially All of its Assets to Successful Bidder; and (V) if applicable, Granting Related Relief filed by Seller on August 22, 2014 docket no. 62 including all exhibits thereto.

“Sale Order” has the meaning ascribed to it in Section 6.1.

“Schedules” means the schedules provided for and referred to in this Agreement.

“Seller” has the meaning set forth in the Preamble to this Agreement.

“Seller’s Affidavit” has the meaning ascribed to it in Section 2.6.

“Seller’s Confidential Information” has the meaning ascribed to it in Section 5.15(a).

“Supplement” means a Supplement to be filed with the Bankruptcy Court prior to the Sale Hearing, which shall include an executed Agreement, with all Exhibits and Schedules thereto, in further support of the Sale Motion.

“Survey” has the meaning ascribed to it in Section 2.19.

“Tax” or “Taxes” means (i) all federal, state, local or foreign taxes, charges or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property, excise taxes under Section 4979 of the Code, unrelated business income taxes, and estimated taxes, whether disputed or not, and (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i).

“Taxing Authority” means any Government or Governmental Authority responsible for the imposition or collection of any Tax.

“Title Company” has the meaning ascribed to it in Section 2.19.

“Title Report” has the meaning ascribed to it in Section 2.19.

“Transferred Business Records” has the meaning ascribed to it in Section 5.1(e).

“Transfer Taxes” means all excise, sales, use, transfer (including Real Property transfer or gains if any arising from an assignment of leasehold estate), value added, stamp, documentary, filing, recording and similar Taxes and fees which may be imposed or assessed as a result of the transactions effected pursuant to this Agreement together with any interest, additions, penalties with respect thereto and any interest in respect of such additions or penalties. Income taxes do not constitute Transfer Taxes.

“Working Capital Advance” has the meaning ascribed to it in Section 2.8(d).

1.2 Other Definitional and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) Calculation of Time Periods. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Dollars. Any reference in this Agreement to “\$” means United States dollars.

(iii) Exhibits/Schedules. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any matter or item disclosed on one Schedule shall be deemed to have been disclosed on each other Schedule to the extent it is reasonably apparent that it is pertinent to the subject matter of such other Schedule. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(v) Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any “Section” are to the corresponding Section of this Agreement unless otherwise specified.

(vi) Herein. The words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(vii) Including. The word “including” means “including, without limitation,” and “includes” and “include” have corresponding meanings, and such words shall not be construed to limit any general statement to the specific or similar items or matters immediately following it.

(viii) Made Available to Purchaser. The phrase “made available to Purchaser” means, for all purposes of this Agreement, made available to Purchaser via email, facsimile or other electronic transfer or through other written means for all purposes of this Agreement.

(b) No Construction Against Drafter. No presumption, burden of proof, burden of persuasion or similar method of interpretation or standard shall arise or otherwise apply favoring or disfavoring any Party (including, without limitation, the draftsman) by virtue of the authorship of any one or more provisions of this Agreement, including in any arbitration or litigation proceeding.

ARTICLE II PURCHASE AND SALE OF ASSETS

2.1 **Sale of Assets.** At the Closing and as of the Effective Time but in all events subject to the approval of the Bankruptcy Court by and through the Sale Order, Seller agrees, upon and subject to the terms and conditions hereinafter set forth, to sell, transfer, convey, assign and deliver or cause to be sold, transferred, conveyed, assigned and delivered to Purchaser, all right, title and interest of Seller and Seller’s bankruptcy estate in, to and under all of the assets and properties and associated rights and interests, real, personal and mixed, tangible and intangible, of whatever kind, owned by Seller including, without limitation, all of the assets and properties used in or related to the Business, but excluding the Excluded Assets (collectively, after excluding the Excluded Assets, the “Assets”). The Assets shall also include, to the extent transferrable, all Patient Records (Seller and its representatives shall continue to have access to all Patient Records as necessary to respond to Governmental or other inquiries or issues, to defend malpractice claims, and for other reasonable legitimate reason upon request) but excluding any Excluded Documents. The Assets shall also include, to the extent transferrable, the Seller’s Deposit Accounts listed in Schedule 2.1.

2.2 **Purchase of Assets.** Purchaser agrees to purchase the Assets upon and subject to the terms, conditions and provisions set forth herein and pursuant to the terms in the Sale Order.

2.3 **Excluded Liabilities.** Except for the Permitted Encumbrances, the Assets shall be transferred pursuant to the Sale Order and Section 363 of the Bankruptcy Code, to the fullest extent permitted by applicable Law, free and clear of all Liens, Claims, interests and encumbrances.

(a) Purchaser shall not assume, satisfy, discharge or otherwise be responsible for any Excluded Liabilities. Purchaser shall at the Closing, assume the Assumed Liabilities pursuant to the terms of Section 2.8 of this Agreement.

(b) Purchaser shall not assume, satisfy, discharge or otherwise be responsible for any Liabilities of Seller related to any pension or retirement plans or programs;

(c) Purchaser shall not assume, satisfy, discharge or otherwise be responsible for any Liabilities of Seller relating to that certain Lease Agreement, dated October 7, 2005, by and between Seller and Landlord, as amended by that certain First Amendment to Lease Agreement, dated December 21, 2005, and that certain Second Amendment to Lease Agreement, dated March 7, 2007 (collectively, as amended, the “Monroe Lease”). Seller acknowledges and agrees that such Monroe Lease was terminated by Landlord pursuant to a termination letter dated September 30, 2010.

(d) The Parties hereto further agree that, as between Purchaser and Seller, all of the Excluded Liabilities shall remain the sole, exclusive obligation and responsibility of Seller.

(e) Notwithstanding the foregoing, Purchaser shall be responsible for all Liabilities applicable to and incurred with respect to the period after the Effective Time that relate to the Business, the Hospital or Purchaser’s post-Closing ownership or operation of the Assets; provided, however, that no statement made in this Agreement shall be deemed to allocate or attribute any Liability or obligation to Purchaser which has been released pursuant to the Sale Order. To the extent this Section 2.3(e) conflicts with any other provision of this Agreement, this Section 2.3(e) controls.

2.4 Excluded Assets. Nothing herein contained shall be deemed to obligate Seller to sell, transfer, assign or convey any Excluded Asset, as described on Schedule 1, to Purchaser. The Seller shall retain all right, title and interest to, in and under the Excluded Assets.

2.5 Nonassignable Assets. To the extent that the assignment of any Asset shall require the consent of any other party and such consent shall still be required notwithstanding the Sale Order and Sections 363 and 365 of the Bankruptcy Code (each, a “Nonassignable Asset”) nothing in this Agreement nor the consummation of the transactions contemplated hereby shall be construed as an attempt or agreement to assign such Nonassignable Asset unless and until such consent shall have been obtained.

2.6 Method of Conveyance. The sale, transfer, conveyance, assignment and delivery by Seller of the Assets to Purchaser hereunder shall be effected on the Closing Date by delivery by Seller of: assignment(s) and bill(s) of sale and such other instruments of conveyance in the form of **Exhibit C** (collectively, “Bill of Sale”) conveying all right, title and interest of Seller in all Assets that comprise tangible or intangible personal property, including separate assignment(s) of any U.S. trademark registrations and applications, if any, included within the purchased intellectual property in a form suitable for recording with the U.S. Patent and Trademark Office, all to the fullest extent permitted by Law, free and clear of any and all Liens, except for Permitted Encumbrances. In addition, the Seller and Purchaser shall execute and deliver on the Closing Date an Assignment and Assumption of Contracts in the form of **Exhibit B** (“Assignment of Contracts”).

2.7 Assumed Contracts. On and after the Effective Time, Purchaser shall assume and be responsible for, and shall timely pay, perform, and discharge in accordance with their terms, all obligations (i) arising after the Effective Time with respect to executory contracts and unexpired leases identified on Schedule 2.7 (the “Assumed Contracts”). Except as otherwise

agreed in writing by the Purchaser and Seller or as otherwise ordered by the Bankruptcy Court, Purchaser shall have the right to amend or modify Schedule 2.7 by providing notice to Seller no later than December 18, 2014. Except for the Assumed Contracts, Purchaser shall not assume and shall not be responsible for any of Seller's contracts or leases.

2.8 Assumption of Liabilities. As of the Effective Time, Purchaser shall assume and be responsible for, and shall timely pay, perform and discharge in accordance with their respective terms all of the following (collectively, the "Assumed Liabilities"):

(a) All Liabilities of the Hospital or the Business accruing from and after the Effective Time incurred in connection with or otherwise relating to the Assets or the Business.

(b) The obligations of Seller arising from and after the Effective Time under Assumed Contracts which Seller shall assign and as to which Purchaser shall assume all obligations thereunder, including that Purchaser shall assume the obligations to pay Cure Payments relating to the Assumed Contracts.

(c) All obligations of Seller to repay that certain working capital advance made by DIP Lender to Seller in an amount of up to Five Million and No/100 Dollars (\$5,000,000) (the "Working Capital Advance"), of which One Million and No/100 Dollars (\$1,000,000.00) was loaned by DIP Lender to Seller immediately prior to the filing of the Bankruptcy Case pursuant to that certain Loan Agreement dated March 7, 2007 (as amended, the "Prepetition Loan Agreement") and the balance of up to Four Million and No/100 Dollars (\$4,000,000.00) loaned or to be loaned by DIP Lender to Seller pursuant and subject to the terms of that certain Debtor-In-Possession Loan Agreement dated August 14, 2014 (the "DIP Loan Agreement"); provided that, except with respect to the payment of the Working Capital Advance as herein described, all accrued and unpaid interest and financing charges with respect to the Working Capital Advance as of the Closing Date shall be forgiven by MPT. Within ninety (90) days following the Closing Date, there will be a true-up of net working capital with an amount equal to any positive net working capital existing as of the Closing Date being repaid to DIP Lender; provided, however, Purchaser may elect to increase the valuation of the Property for rent and purchase option purposes under the Master Lease by such amount in lieu of such repayment. Similarly, if such true-up reflects negative net working capital as of the Closing Date, then an amount equal to such negative working capital will be applied as a reduction in the valuation of the Property for rent and purchase option purposes under the Master Lease.

(d) On the Closing Date, Purchaser shall assume liability for Seller's accrued payroll, accrued payroll taxes, and accrued paid time off; provided, however, that Seller shall remain current on all post-petition payroll, payroll taxes, and paid time off through the last payroll period prior to the Closing Date and Seller shall accrue paid time off in accordance with generally accepted accounting principles. For the avoidance of doubt, the Purchaser shall assume and pay any amounts owed to any employee of the Seller who elects "cashes out" paid time off consistent with prior practices of the Seller. Further, the Purchaser shall assume and pay any amounts owed in connection with the medical insurance provided by the Seller to its employee's, including, without limitation, amounts owed under the Seller's self-insurance plan or its stop-loss insurance policy.

(e) Purchaser shall, subject to the limitations set forth herein, be responsible for the payment of the Cure Payments, if any, required with respect to the Assumed Contracts with said payments being made to the counterparty to the Assumed Contracts when the Cure Payments become due pursuant to the Bankruptcy Code, the Sale Order, or any agreement between Purchaser and the counterparty to an Assumed Contract.

(f) Notwithstanding anything to the contrary in this Agreement, (i) Purchaser shall consult with Seller and MPT with respect to the terms of the assumption of the Assumed Contracts provided that Purchaser shall not modify any terms thereof without the prior written consent of the Seller and MPT if such modification would be or could reasonably be expected to be adverse to Seller in any respect, and (ii) the rights of each of the Seller and MPT to object to such terms are expressly preserved and reserved. In addition, the rights of MPT to object to any assumption of Assumed Contracts is expressly preserved and reserved as to any assumption that either MPT reasonably concludes is not in the best interests of the Seller or the Seller's estate, including any assumption that may or will discharge the obligations of a counterparty with respect to preferences.

(g) Purchaser shall, at Purchaser's sole cost, (i) negotiate the amount of all Cure Payments subject to the limitations set forth herein, be responsible for the payment of the Cure Payments, if any, required with respect to the Assumed Contracts and/or (ii) pay all of Purchaser's legal and other fees and expenses (and, if any, Seller's legal fees and expenses to the extent incurred by reason of Seller being required to intervene or defend) relating to any litigation or other dispute in connection with or otherwise relating to Cure Payments.

(h) Purchaser shall assume and pay all unpaid claims arising under sections 503(b)(1) through (9) and 507(a)(2) of the Bankruptcy Code (each an "Administrative Claim," and together the "Administrative Claims") which arose between the Petition Date and the Effective Time, except for (1) the fees and costs of any and all professionals employed by the Seller, (2) quarterly fees owing to the Office of the United States Trustee, (3) fees owing to the Clerk of the Court, and (4) any amounts due to the Centers for Medicare and Medicaid Services or any Government Authority acting on its behalf. Purchaser shall also assume any unpaid claims arising under section 503(b)(9) of the Bankruptcy Code (each a "Section 503(b)(9) Claim," and together the "Section 503(b)(9) Claims") whenever they were incurred. For the avoidance of doubt, the Purchaser's total liability for repaying the Working Capital Advance and assuming and paying the Administrative Claims and the Section 503(b)(9) Claims may exceed \$5,000,000.00 in the aggregate.

2.9 Taxes and Assessments. The Liability for payment of accrued but unbilled or unpaid Taxes (including, but not limited to, real estate taxes, personal property tax, ad valorem tax, bulk sale transfer taxes, and similar non-income Taxes) and other assessments relating to, or arising out of the ownership or transfer of, the Assets or the Assumed Contracts (including, but not limited to any water, sewer and other municipal charges owed to any Governmental Authority), imposed on a periodic basis beginning before and ending after the Effective Time or as a result of the consummation of the transactions evidenced by this Agreement or otherwise, shall be paid by Seller at the Closing, provided that Seller has received at Closing the increased purchase price required to be paid by Purchaser pursuant to this Section. All Taxes and other assessments shall be listed on Schedule 7, which shall be pre-paid by having the Seller pay the

applicable taxing authority \$300,000 in estimated taxes to satisfy the relevant tax obligations. In the event that the taxes exceed this proposed amount, the extra taxes will be assumed and satisfied by the Purchaser notwithstanding any other provision of this agreement to contrary, however, if the prepaid taxes exceed the actual tax liability then the Purchaser shall be entitled to any refund. If any Taxes or other assessments paid by Seller at any time on or prior to the Closing Date are attributable in whole or in part to any period of time following the Closing, then the Purchase Price payable at Closing shall be increased to adjust for the prior payment of such Taxes and assessments by Seller attributable to the post-closing period; provided however that Seller shall provide to Purchaser a complete list of such pre-paid Taxes, together with reasonable verification thereof on or before ten (10) days prior to the Closing.

2.10 [intentionally blank]

2.11 [intentionally blank]

2.12 **Purchase Price.**

(a) In consideration of the sale, transfer, conveyance and assignment of the Assets to the Purchaser, Purchaser shall at Closing: (i) assume the Assumed Liabilities, (ii) pay the amount required under Section 2.9; and (iii) pay fifty percent (50%) of all Transfer Taxes due in connection with the closing of the transactions contemplated herein (collectively, the "Purchase Price").

(b) As additional consideration for the sale, transfer, conveyance and assignment of the Purchased Assets to the Purchaser, Purchaser shall either spend or commit to spend at least Two Million Dollars (\$2,000,000.00) in capital expenditures at the Hospital during the three (3) year period following the Closing Date. As used in this Section 2.12(b), the term "capital expenditures" shall mean expenditures for new equipment including information technology systems, equipment replacement, facility renovations, new facilities, medical office space, development of new services and expansion of existing clinical services, working capital, information systems, physician recruitment and other capital improvements, including commitments incurred pursuant to operating or capital leases, or other off balance sheet financing mechanisms. The amount of capitalized expenditures made under this Section 2.12(b) will be determined in accordance with GAAP.

(c) The Parties agree to report this transaction for federal, state and local Tax purposes consistently and in accordance with this Section 2.12.

2.13 **Order of the Bankruptcy Court.** The Seller and the Purchaser shall take all reasonable steps and use all reasonable efforts necessary or appropriate in order (a) to obtain the Sale Order from the Bankruptcy Court authorizing the Seller to sell the Assets to the Purchaser; and (b) to consummate the transactions contemplated by the Sale Order.

2.14 **Closing.** The Closing shall take place at 10:00 a.m., prevailing Eastern Time, on the Closing Date at the offices of Seller's counsel, or at such other time and place as the Parties may agree in writing. The Closing shall be deemed to have occurred and to be effective as between the parties as of the Effective Time. Seller will own, control the management of and operate the Business until immediately prior to the Effective Time.

2.15 Medicare and Medicaid Provider Agreements. Purchaser shall not seek to have assigned to Purchaser provider contracts of Seller with the Medicare and Medicaid programs.

2.16 Closing Payments. No later than five (5) Business Days prior to the Closing Date, the Seller shall provide to Purchaser, in writing, the Seller's calculation of the Closing payments due as of the Effective Time based on the payment of the Purchase Price, as set forth in Section 2.12, and the estimated apportionment of Taxes and assessments. If within two (2) Business Days following receipt of such calculation, Purchaser has not given the Seller written notice of its good faith objection to the Seller's calculations, then the transaction shall close based on the Seller's calculations. If Purchaser gives such notice of objection, then the Parties will work together in good faith to resolve the estimated apportionment of Taxes and assessments provided that and if they are unable to agree, the Parties shall close and the disputed amount shall be appropriately escrowed. Because the total amount of the Assumed Liabilities will not be known until after all Administrative Claims and Section 503(b)(9) Claims have been submitted and allowed, which will occur after the Closing Date, the Seller's calculation contemplated in this paragraph shall be an estimate.

2.17 Closing Deliveries of Seller. At the Closing, in addition to any other documents, assignments, certificates, letters, orders or agreements described in Section 2.6 or otherwise required to be delivered pursuant to the terms of this Agreement, and the satisfaction of all of the conditions set forth in Articles VI and VIII, Seller shall deliver to Purchaser the following:

(a) copies of the resolutions of all corporate bodies of Seller necessary to authorize the transactions contemplated hereby, authorizing the sale of the Assets and the execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby, for the avoidance of doubt, the *Special Resolutions of the Members of Monroe Hospital, LLC* dated July 30, 2014 and filed with the Court [Docket No. 1] shall satisfy this provision;

(b) a true and complete copy of the certificate of formation of Seller, certified by the State of Indiana, a true and complete copy of the operating agreement of Seller, certified by an authorized officer, and a certificate of good standing of Seller from the State of Indiana, together with a certificate by Seller that nothing has occurred since the date of issuance of the certificate of good standing that would adversely affect Seller's corporate existence or good standing;

(c) certificates from the Secretary of Seller as to the incumbency and signatures of the sole officer of Seller, Joseph Roche, executing this Agreement and any other documents required under this Agreement;

(d) a certified copy of the Sale Order authorizing and ratifying the execution and delivery of this Agreement by Seller and the consummation of the transactions contemplated hereby;

(e) a certificate of a duly authorized officer of Seller certifying to Purchaser (a) compliance in all material respects with Seller's covenants set forth in this Agreement, (b)

that all of the conditions contained in Articles VI and VII have been satisfied except those, if any, waived in writing by Purchaser, and (c) that all of the representations and warranties set forth in Article III and the matters set forth in the Schedules are true and correct in all material respects as of the Closing Date;

(f) copies of Seller's most recent Cost Reports as filed with the Medicare and Medicaid programs.

2.18 Closing Deliveries of Purchaser. At the Closing, in addition to any other documents otherwise required to be delivered by Purchaser pursuant to the terms of this Agreement and the satisfaction of all other conditions set forth in Articles VI and VII, Purchaser shall deliver to Seller the following:

(a) the payment of the Purchase Price, by wire transfer of immediately available funds, pursuant to Section 2.12 herein;

(b) a true and complete copy of Purchaser's organizational documents and a certificate of good standing of Purchaser from the State of Indiana (and Purchaser's state of organization if not Indiana), together with a certificate by an authorized officer of Purchaser that the certificate of formation of Purchaser has not been amended since the date of the certification described above and that nothing has occurred since the date of issuance of the certificate of good standing that would adversely affect Purchaser's existence or good standing;

(c) certificates from an authorized officer of Purchaser as to the incumbency and signatures of each officer of Purchaser executing this Agreement and any other documents required under this Agreement;

(d) a certificate of an officer of Purchaser certifying to Seller (a) compliance in all material respects with Purchaser's covenants set forth in this Agreement, (b) that all of the conditions contained in Articles VI and VIII have been satisfied except those, if any, waived in writing by Seller, and (c) that all of the representations and warranties set forth in Article IV are true and correct in all material respects as of the Closing Date; and

(e) copies of the resolutions of all corporate bodies of Purchaser necessary to authorize the transactions contemplated hereby, authorizing the purchase of the Assets and the execution and delivery by Purchaser of this Agreement and the consummation by Purchaser of the transactions contemplated hereby, certified by an authorized signatory of Purchaser.

2.19 [intentionally blank]

2.20 Further Conveyances and Assumptions. From time to time following Closing, each Party shall, and shall cause their respective Affiliates to execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and other instruments, and shall take such further actions, as may be reasonably necessary or appropriate (i) to assure fully to Purchaser and its successors and permitted assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchaser under this Agreement and (ii) to assure fully to Seller and its successors and permitted assigns, the assumption of the Assumed Liabilities and obligations intended to be assumed by Purchaser

under this Agreement, and to otherwise make effective the transactions contemplated herein. Without limiting the generality of the foregoing, if Seller receives any Assets or payments related to the Assets after the Closing Date, it will promptly turn over same to Purchaser.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby makes the following representations and warranties, subject to any exceptions included in Seller's Disclosure Schedule:

3.1 Corporate Existence and Power of Seller. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Indiana. Subject to the provisions of the Bankruptcy Code, the Seller has the corporate power to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. Seller has all necessary power and authority to enter into this Agreement and all other documents that the Seller is required to execute and deliver hereunder, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby.

3.2 Validity and Enforceability of Agreement. Upon the entry of the Sale Order approving the sale of the Assets to the Purchaser, this Agreement constitutes a legal, valid and binding obligation of the Purchaser, this Agreement constitutes, and all documents required to be executed and delivered at Closing by Seller hereunder or in connection herewith will each constitute, the legal, valid and binding obligations of Seller, enforceable against it in accordance with their respective terms, subject to general principles of equity.

3.3 Consents; Waivers and Approvals. Except for the approval of the Bankruptcy Court as required by Section 363 of the Bankruptcy Code and approvals relating to the Healthcare Regulatory Consents, no consent, waiver, approval, authorization, license or order of, registration or filing with, or notice to, any Governmental Authority or any other Person is necessary to be obtained, made or given by Seller in connection with the execution and delivery of this Agreement, the performance by Seller of its obligations hereunder or the consummation by Seller of the transactions contemplated hereby.

3.4 No Conflict. Subject to the issuance of the Sale Order and approvals relating to the Healthcare Regulatory Consents, the execution and delivery by Seller of this Agreement and the other agreements, documents and instruments required to be executed and delivered by Seller pursuant to this Agreement and the consummation by Seller of the transactions contemplated hereby or thereby, and compliance by Seller with any of the provisions hereof or thereof, will not:

(a) conflict with or result in a breach of any provision of any organizational document of Seller;

(b) violate (with or without the giving of notice or the lapse of time or both) any Law or any Order to which Seller, the Assets or the Business is subject to; or

(c) require Seller to obtain or make any waiver, consent, approval or authorization of, or registration, declaration, notice or filing with any Governmental Authority, except any Hart Scott Rodino filing as necessary.

3.5 Rights to Acquire Assets. Except for Ordinary Course of Business transactions involving the disposition of personal property that are not, individually or in the aggregate, material to the Seller, there are no agreements, options or other rights to which Seller is a party pursuant to which a Claim exists that Seller is, or may become, obligated to sell or grant any Lien in any of the Assets. Seller acknowledges and agrees that the Assets shall be transferred pursuant to the Sale Order and Section 363 of the Bankruptcy Code, to the fullest extent permitted by applicable Law, free and clear of all Liens, Claims, interests and encumbrances other than the Permitted Encumbrances.

3.6 Title to and Adequacy of the Assets. Seller owns each of the Assets and, subject to the approval of this Agreement by the Bankruptcy Court, title to the Assets will be transferred free and clear of any Liens by Order of the Bankruptcy Court pursuant to Section 363 of the Bankruptcy Code, except for Permitted Encumbrances. The Assets and the Real Property comprise all items used in the operation of the Hospital and the Business except for (i) Contracts that require consents to the transfer of Contracts made available to Purchaser prior to the date hereof that have not been obtained, (ii) Authorizations that are not transferrable or not transferrable without a consent that has not been obtained and (iii) the Provider Agreements.

3.7 Government Reimbursement Participation; Health Care Law Compliance.

(a) Except as set forth in Schedule 3.7 and other than the review by Governmental Authorities in the ordinary course of Cost Reports and similar documents relating to Provider Agreements, to the Knowledge of Seller, there are no material pending or threatened legal proceedings or investigations under the medical reimbursement programs involving Seller. To the Knowledge of Seller, the Cost Reports of Seller for the medical reimbursement programs involving Seller, and any other Cost Report settlements filed or required to be filed prior to the Closing Date with any Governmental Authority, have been or will be properly filed and are or will be complete and correct in all material respects. To the Knowledge of Seller, the Cost Reports filed or required to be filed by Seller do not and will not claim, and Seller has not received and will not receive, any payment or reimbursement in excess of the amount provided by Law or any applicable agreement, except where excess reimbursement was noted on the cost report. Except as set forth on Schedule 3.7, to the Knowledge of Seller, there are no claims, actions or appeals pending or threatened before any Governmental Authority, including the Administrator of the Centers for Medicare and Medicaid Services, with respect to any medical reimbursement program Cost Reports or claims filed on behalf of Seller referred to above or any material disallowances not in the ordinary course of business by any commission, board or agency in connection with any such Cost Reports.

(b) The Hospital is fully accredited by The Joint Commission (the “Joint Commission”). Seller has made available to Purchaser true and complete copies of the most recent Joint Commission accreditation survey report and deficiency list for the Hospital, if any, and the Hospital’s plan of correction, if any. Seller has not received any notices of deficiency from Joint Commission with respect to the Hospital’s current accreditation period which require

or request any material action or response by Seller or the Hospital except for any such material deficiencies that have been corrected or otherwise remedied in all material respects.

3.8 **Existing Medicare and Medicaid Provider Agreements.** Seller is eligible to receive payment under Titles XVIII and XIX of the Social Security Act and is a “provider” under the existing provider agreements identified in Schedule 3.8 (“collectively, the “Provider Agreements”) with the Medicare and Medicaid programs (collectively, the “Healthcare Programs”) through the applicable intermediaries.

3.9 **Subsidiaries.** Schedule 3.9 sets forth the name and jurisdiction of each entity in which Seller holds an equity interest.

3.10 [intentionally blank].

3.11 **Hill Burton.** Seller has not received any loans, grants or loan guarantees pursuant to, and does not currently have any outstanding unfulfilled obligations arising from, the Hill-Burton Act, 42 U.S.C. § 291a, et seq.

3.12 **Medical Staff.** To Seller’s Knowledge, (i) no member of the medical staff of the Hospital has been excluded from participating in Medicare or any federal health care program (as defined in 42 U.S.C. §1320a-7b(f)) and (ii) none of the Seller’s or Hospital’s current officers, directors or managing employees (as such term is defined in 42 U.S.C. §1320a-5(b)), has been excluded from Medicare or any federal health care program (as defined in 42 U.S.C. §1320a-7b(f)) or been subject to sanction pursuant to 42 U.S.C. §1320a-7a or 1320a-8 or been convicted of a crime described at 42 U.S.C. §1320a-7b.

3.13 **Labor Relations.** There are no strikes, slowdowns or work stoppages pending or, to the Seller’s Knowledge, threatened between the Seller and any of Seller’s employees, and Seller has not experienced any such strike, slowdown, or work stoppage since January 1, 2012.

3.14 **Compliance with Laws; Permits.**

(a) The Hospital is duly licensed and authorized by all applicable Governmental Authorities including, but not limited to, the State of Indiana, to operate all of its health care and medical services.

(b) Seller is duly licensed and authorized by all applicable Governmental Authorities to own and operate the Hospital and its related health care and medical services.

(c) Seller has all Permits that are necessary to enable it to own, lease or otherwise hold the Assets and to enable it to operate the Business as currently conducted. All such permits are in full force and effect. To the Knowledge of Seller, no proceedings are pending or threatened where the remedy sought is to revoke or materially modify any such Permit, materially restrict any renewal of any such permit or deny the right to transfer any such Permit that is permitted to be transferred with consent.

(d) To Seller's Knowledge, Seller is in compliance in all material respects with all applicable Laws respecting the Business. There are no charges of a material violation of a Law pending or to the Knowledge of Seller threatened against Seller.

(e) To Seller's Knowledge, Seller's ownership and operation of the Business and the Assets are and have been in compliance with all Environmental Laws, except where the failure to be in such compliance would not have a material adverse effect on the Business or the Assets. There is not now pending or, to Seller's Knowledge, threatened, any claim, investigation or enforcement action by any governmental authority (whether judicial, executive or administrative) concerning Seller's potential liability under Environmental Laws in connection with the ownership or operation of the Business or the Assets. To Seller's Knowledge, there has not been a release or threatened release of any hazardous substance at, upon, in, under or from the Business or the Assets at any time. To Seller's Knowledge, no portion of the Real Property has been used as a dump or landfill or a storage, recycling or disposal facility for any hazardous substance, other than for the storage and disposal of medical waste in connection with the ordinary course operation of the Business.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby makes the following representations and warranties:

4.1 **Corporate Existence of Purchaser.** Purchaser is a limited liability company duly organized, validly existing and in good standing in the State of Delaware and will be duly authorized to conduct business in Indiana on or before the Effective Time. Purchaser has all necessary power and authority to enter into this Agreement and all other documents that the Purchaser is required to execute and deliver hereunder, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby.

4.2 **Validity and Enforceability of Agreement.** Upon the entry of the Sale Order approving the sale of the Assets to the Purchaser, this Agreement constitutes, and all documents executed and delivered by Purchaser at Closing hereunder or in connection herewith will each constitute, the legal, valid and binding obligations of Purchaser, enforceable against it in accordance with their respective terms, except as enforcement hereof may be limited by general principles of equity.

4.3 **Authorization and Authority.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized, approved and ratified by all necessary action on the part of the Purchaser. The Purchaser has full authority to enter into and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby.

4.4 **No Conflict.** Neither the execution and delivery by Purchaser of this Agreement nor the performance by Purchaser of its obligations hereunder, (a) (i) violates or breaches the terms of or causes a default under any legal requirement applicable to Purchaser, (ii) contravenes the certificate of incorporation or bylaws or the certificate of formation and operating agreement or other organizational documents of Purchaser, or (iii) violates or breaches the terms or causes a

default under any contract, indenture, evidence of indebtedness or other commitment to which Purchaser is a party or by which it or its properties is bound, or (b) will, with or without the passage of time, the giving of notice or the taking of any action by a third person, have any of the effects set forth in this subsection, except to the extent that any such matter would reasonably be expected to have a material adverse change with regard to Purchaser.

4.5 Available Funds. Purchaser has or will have sufficient immediately available funds and/or access to credit facilities necessary to consummate the purchase of the Assets.

4.6 Solvency. Purchaser is solvent. The consummation of the transactions provided for in this Agreement will not render Purchaser insolvent. There are no conditions, obligations or commitments of Purchaser, or Claims against Purchaser, which will or could be reasonably expected to render Purchaser insolvent.

4.7 Litigation and Arbitration.

(a) There is no Action pending or, to the Knowledge of Purchaser, threatened against Purchaser, including any before any Governmental Authority or any arbitration panel, that seeks to prevent the consummation of the transactions contemplated by this Agreement.

(b) There is no Action pending or, to the Knowledge of Purchaser, threatened against Purchaser or any of its Affiliates, or any of their respective members, owners, managers, officers, directors or other senior executives, and there are no existing facts relating to any Person referred to in this Section 4.7(b), that may cause any required Health Care Regulatory Consent or other consent to the transactions contemplated hereby to not be given.

(c) There is no Action pending or, to the Knowledge of Purchaser, threatened against Purchaser or any of its Affiliates, or any of their respective members, owners, managers, officers, directors or other senior executives or to which Purchaser is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or the ability of Purchaser to consummate the transactions contemplated hereby. Purchaser or any of its Affiliates, or any of their respective members, owners, managers, officers, senior executives are not subject to any Order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or the ability of Purchaser to consummate the transactions contemplated hereby.

4.8 Brokers and Intermediaries. Neither Purchaser nor any of its Affiliates has employed any broker, finder, advisor or intermediary that is entitled, in connection with the consummation of the transactions contemplated hereby, to a broker's, finder's or similar fee or commission.

**ARTICLE V
CERTAIN COVENANTS AND AGREEMENTS OF SELLER AND PURCHASER**

5.1 Access and Information.

(a) To the extent permitted by Law, and except as required to preserve any Privilege, Seller will provide Purchaser and its representatives with reasonable access during normal business hours, to all of the assets, properties, facilities, employees, medical staff members, agents, accountants and books and records of Seller and will furnish or make available to Purchaser and its representatives during such period all such information and data concerning Seller in its possession or control as Purchaser reasonably may request; *provided, however*, (i) such investigation shall be coordinated through such persons as may be designated in writing by Seller for such purpose, and (ii) Seller shall be entitled to participate in and be present during any meeting with any of the physicians on the Hospital medical staff, or with employees, agents, accountants and other representatives.

(b) Seller shall permit Purchaser to engage in discussions and negotiations with Seller's vendors for the purpose of negotiating the terms of contracts between Purchaser and such vendors in connection with Purchaser's purchase of the Assets.

(c) Seller shall grant Purchaser and its representatives reasonable access to Seller's employees within the Hospital for the purpose of administering the hiring process as to such employees. Thus, by way of example and without limitation, except to the extent prohibited by applicable Law, Seller will grant reasonable access to enable Purchaser and its representatives to disseminate documents and information to such employees; collect documents and information from such employees; interview such employees and their supervisors and managers; investigate the backgrounds, experience, education, qualifications and work records of such employees; offer employment to such employees; and hire such employees. Purchaser agrees to conduct all such activities in compliance with applicable Law.

(d) After the Closing, Purchaser shall permit, for a period of not less than six (6) years, each of the Seller, any direct or indirect successor to the Seller and their respective professionals and any Liquidating Trust (collectively, the "Permitted Parties") access to all Books and Records that are in connection with or that otherwise relate to the Hospital (including the Business) prior to the Closing and/or to the Seller and that are in the control or the possession of Purchaser or any of its Affiliates or their respective agents or representatives except for Excluded Records (collectively, "Business Records") for the purposes of (i) pursuing, assessing, settling or otherwise dealing with any Excluded Assets, (ii) pursuing, assessing, defending, settling or otherwise dealing with (including, without limitation, exercising rights and remedies with respect to) any Claim, Action, or cause of action, including, without limitation, any objection or motion, that any Permitted Party has the right to pursue, (iii) performing and/or otherwise dealing with any obligations of the Seller pursuant to this Agreement, including the Excluded Liabilities (iv) assisting any one or more Permitted Parties in connection with or otherwise relating to the Claims reconciliation process relating to Seller, including, without limitation, with respect to Claims against any Person, including, without limitation, assessing, resolving, settling and/or otherwise dealing with priority and administrative Claims and any other general unsecured Claims that accrue prior to the Closing Date and (v) without limiting the generality of the immediately preceding clauses (i) through (iv), otherwise administering the Seller's estate including, without limitation, the preparation and confirmation of a plan relating to the Seller and the preparation of a disclosure statement relating to the Seller, and compliance with any subpoena, document request, or order of any court compelling any Permitted Party to

produce documents to third parties, winding down the Seller's estate, preparing or filing tax returns and causing audits to be performed and/or for any other reasonable purpose.

(e) The right of access for the Permitted Parties shall include, without limitation, (a) (i) the right of such Permitted Party to copy at the Permitted Party's premises or the Hospital at each requesting Permitted Party's expense, such documents and records as they may request in furtherance of any of the purposes referred to in Section 5.1(d) and (ii) Purchaser's copying and delivering, at the Permitted Party's cost, to such Permitted Party such documents and records as may be requested, but only to the extent as to this clause (ii) such Permitted Party furnishes Purchaser with reasonable written descriptions of the materials to be so copied. Purchaser shall not dispose of or destroy any of the Business Records transferred to Purchaser ("Transferred Business Records") before the seventh anniversary of the Closing Date and will provide the Permitted Parties and the Bankruptcy Court pursuant to a filing with the Bankruptcy Court with at least ninety (90) days written notice before doing so and will provide each Party that requests copies of any Transferred Business Records within such ninety (90) day period copies of all requested Transferred Business Records at the cost of the requesting Permitted Party.

(f) Subsequent to the Closing Date, Purchaser will cooperate with each of the Permitted Parties relating to all matters in connection with the administration of the Seller's estate, including without limitation, in connection with all Claims, Actions and causes of action relating to the Excluded Assets or Excluded Liabilities that any Permitted Party elects to pursue, dispute or defend. Without limiting the generality of the preceding sentence, Purchaser shall use reasonable best efforts to make reasonably available to Seller employees of the Business who became employees of the Purchaser to assist Seller in connection with the administration of the Seller's estate, including, without limitation, in connection with Excluded Assets and/or Excluded Liabilities.

(g) Seller shall provide to Purchaser at the Closing or as soon thereafter as is reasonably possible all appropriate books and records and other documents in the possession or control of Seller, its representatives or its agents relating to the Assets being sold pursuant to this Agreement and the transactions contemplated hereby.

5.2 Authorizations. Purchaser shall use its commercially reasonable efforts to promptly obtain all Authorizations required to enable Purchaser to purchase the Assets and/or operate the Hospital. Purchaser agrees to provide to Seller and MPT a weekly report as to the status of obtaining of such Authorizations. Seller agrees to execute and deliver such instruments and documents reasonably satisfactory to Seller, and take all such other and further actions reasonably satisfactory to Seller, that Purchaser cannot take or cause to be taken by any Person other than Seller, that are required to enable Purchaser to obtain such Authorizations or transfer such Authorizations from Seller to Purchaser, provided that Seller shall not be obligated to undertake any material Liabilities or other obligations, individually or in the aggregate, relating to such obligations. Notwithstanding the foregoing, Purchaser shall not be obligated to consent to the imposition of materially burdensome conditions on Purchaser or its lenders in order to obtain the Authorizations it being specifically understood and agreed that conditions required under the Indiana Regulations shall not constitute a materially burdensome condition.

5.3 Conduct of Business.

(a) Prior to the Closing, except as otherwise contemplated by this Agreement or required by applicable Law or with the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), Seller shall:

(i) operate the Business in the Ordinary Course of Business in all material respects;

(ii) use its commercially reasonable efforts to (A) maintain the Assets in good working order and condition consistent with past practices, including but not limited to paying when due all reasonable maintenance expenses necessary to maintain the current state of the Assets until Closing, normal wear and tear excepted and (B) maintain the insurance coverage currently in place with respect to the Assets or obtain comparable replacement coverage;

(iii) perform when due all undisputed post-petition obligations under its contracts, including Purchased Intellectual Property Licenses, and leases of Real Property or personality;

(iv) comply in all material respects with all Laws and Orders pertaining to the Business and the Assets;

(v) accurately maintain the books and records of the Business consistent with past practice;

(vi) without being obligated to make any payment to any Person to preserve any goodwill or relationship, and subject to changes incident to Seller's bankruptcy filing and related intention to sell its assets, use commercially reasonable efforts reasonably consistent with past practices to preserve the goodwill thereof and Seller's relationships with the patients, employees, physicians, suppliers, and others with whom it deals; and

(vii) perform all undisputed post-petition obligations under Excluded Contracts and timely pay, perform, and discharge in accordance with their respective terms the undisputed post-petition Excluded Liabilities.

(b) Prior to the Closing, except as otherwise contemplated by this Agreement or required by applicable Law or with the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), Seller shall not:

(i) make or enter into any Contract that would be required to be assumed by Purchaser;

(ii) permit any Person other than Seller to manage its Assets or Business;

(iii) other than in the Ordinary Course of Business, (A) increase the annual level of compensation of any employee or other Person who works in the Business, (B) grant any bonus, similar benefit, or increase in other direct or indirect compensation to any

employee or other Person who works in the Business, (C) with respect to any employee or other Person who works in the Business, increase the coverage or benefits available under any (or create any new) employee benefits plan, or (D) enter into any employment, deferred compensation, severance, consulting, non-competition, or similar agreement (or amend any such agreement) with any employee or other Person who works in the Business, except, as to each of clauses (A) through (D), as required by applicable Law from time to time in effect, by any employee benefits plan maintained or sponsored by Seller or by any existing Contract made available to Purchaser that the Seller is a party to or bound by;

(iv) subject any of the Assets to any Lien, other than (A) any Permitted Encumbrances or (B) as approved by Order of the Bankruptcy Court;

(v) other than pursuant to an existing Contract made available to Purchaser, acquire or lease any material assets that would be Assets or sell, assign, license, transfer, convey, lease, or otherwise dispose of any of the Assets, provided that any other removal shall be permitted if the assets removed, taken as a whole, are replaced with reasonably equivalent or better assets;

(vi) cancel or compromise any material debt or claim or waive or release any material right of Seller that constitutes an Asset except in the Ordinary Course of Business;

(vii) permit or allow relocation of (other than within the Hospital), any services or programs of the Business;

(viii) other than in the Ordinary Course of Business or pursuant to an existing Contract made available to Purchaser, remove from the Real Property any furniture, equipment, or other tangible personal property used in the Ordinary Course of Business provided further that any other removal shall be permitted if the assets removed, taken as a whole, are replaced with reasonably equivalent or better assets; or

(ix) enter into, materially modify or terminate any labor or collective bargaining agreement.

5.4 Commercially Reasonable Efforts. Each Party shall use its commercially reasonable efforts to fulfill or cause the fulfillment of the conditions of the Closing, including, without limitation, the execution and delivery of all agreements contemplated hereunder to be so executed and delivered provided that it shall be the responsibility of Purchaser to obtain the Authorizations and any required consents with respect to the assumption of the Assumed Contracts. Notwithstanding the foregoing, Purchaser shall not be obligated to consent to the imposition of materially burdensome conditions on Purchaser or its lenders it being specifically understood and agreed that conditions required under the Indiana Regulations shall not constitute a materially burdensome condition.

5.5 [Intentionally blank]

5.6 [Intentionally blank]

5.7 Tax Matters.

(a) The Parties agree to request that the Bankruptcy Court find that the sale of the Assets constitutes a sale in furtherance of effectuating a plan of reorganization, and, in accordance with section 1146(a) of the Bankruptcy Code, all transfers in connection therewith shall be exempt from any and all Transfer Taxes. To the extent that the Bankruptcy Court does not so order, Purchaser shall be responsible for the payment of fifty percent (50%) of all Transfer Taxes (whether or not payable by Seller as a matter of law), including that Purchaser shall promptly reimburse Seller for its share of all Transfer Taxes paid by Seller upon receipt of reasonable documentation evidencing such amount. Purchaser and Seller will cooperate in the timely preparation and filing of any Tax return that must be filed in connection with any Transfer Taxes. Any such Taxes or fees resulting from any subsequent transfer of the acquired Assets or Assumed Contracts shall be borne by Purchaser.

(b) After the Closing Date, Seller and Purchaser shall, and shall cause their respective Affiliates to:

(i) assist the other Party and its Affiliates in preparing any tax returns that such Party is responsible for preparing and filing relating to the Assets, the Excluded Assets or the Business;

(ii) cooperate fully in preparing for any tax audit relating to or arising out of the ownership or use of the Assets or the Business;

(iii) make available to the other Party and its Affiliates and to any Taxing Authority as reasonably requested all information, Books and Records, and documents relating to Taxes arising out of the conduct of the Business or the ownership or use of the Assets; and

(iv) furnish the other Party with copies of all correspondence received from any Taxing Authority in connection with any tax audit relating to the conduct of the Business or the ownership or use of the Assets with respect to any such taxable period.

5.8 Announcement. Other than confirming information that is already a part of the public record or that is contained in filings a Party hereafter makes with the Bankruptcy Court, neither Party will issue any press release or otherwise make any public statement with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed), except as may be required by applicable Law or the applicable regulations of any exchange. Subject to the last sentence of this Section 5.8, if any Party is required by Law or pursuant to applicable regulations of any exchange to issue a press release or otherwise make any public statement or disclosure with respect to this Agreement and the transactions contemplated hereby, such Party will use commercially reasonable efforts to promptly notify the other Party so that such Party may seek a protective order or other appropriate remedy, and in the event that no such protective order or other remedy is obtained, the Party may make such disclosure as such Party is advised in writing by counsel as may be required by Law or pursuant to applicable regulations of any exchange.

The preceding sentence shall not apply to any filing that either Party reasonably concludes may be required to be made with, or is appropriate to be made with, the Bankruptcy Court.

5.9 Post-Closing Business Operations Commitment. Purchaser shall operate the Hospital as an acute care hospital with an open and accessible emergency department and medical/surgical services for a period of not less than five (5) years after the Closing Date.

5.10 Risk of Loss; Casualty Loss. All risk of loss or damage to or destruction of the Assets, in whole or in part, shall be and remain with Seller until the Effective Time and from and after the Effective Time, the risk of loss or damages to or destruction of the Assets in whole or in part shall be and remain with Purchaser. If, between the date of this Agreement and the Closing, any of the Assets having a value in excess of \$500,000 individually or in the aggregate, shall be destroyed or damaged in whole or in part by fire, earthquake, flood, other casualty or any other cause (the "Casualty"), individually or in the aggregate, then, with respect to a loss in value in excess of \$500,000 (a) Purchaser shall have the option to acquire such Assets on an "as is" basis and take an assignment, without representation, warranty or recourse, from Seller of any insurance proceeds payable to Seller in respect of the Casualty (excluding proceeds under any directors or officers insurance policies) or (b) Seller shall have the option exercisable on or before the Closing Date by the delivery of written notice thereof to Purchaser (i) to fix such Casualty within sixty (60) days after the Closing Date, or (ii) pay Purchaser the loss in value arising from such Casualty, and if Seller does not elect within twenty (20) days of the occurrence of the Casualty an option set forth in (b)(i) or (b)(ii) above, then Seller shall be deemed to have elected the option in clause (b)(ii).

5.11 Bankruptcy Actions.

(a) Seller and Purchaser acknowledge that this Agreement and the sale of the Assets are subject to Bankruptcy Court approval and entry of the Sale Order.

(b) If an appeal is taken or a stay pending appeal is requested, with respect to the Sale Order, Seller shall promptly notify Purchaser of such appeal or stay request. Seller shall promptly provide to Purchaser a copy of the related notice of appeal or order of stay. Seller shall also provide Purchaser with written notice of any motion or application filed in connection with any appeal from such order. In the event of an appeal of the Sale Order, Seller shall, at its own expense, be primarily responsible for drafting pleadings and attending hearings as necessary to defend against the appeal.

(c) From and after the date hereof, Seller shall not take any action that is intended to reverse, void, materially modify or stay the Sale Order.

(d) Seller will provide Purchaser with a reasonable opportunity to review and comment upon all motions, applications and supporting papers prepared by Seller (including forms of orders and notices to interested parties) related to the Assets or the Business prior to the filing thereof in the Bankruptcy Case, except any involving adversarial matters between Seller and Purchaser.

5.12 Service of Notice. Seller shall use reasonable efforts to serve the Bid Procedures Order, the Sale Motion, a proposed Sale Order and the Supplement (including, without

limitation, on all parties to the Assumed Contracts and on all Persons who would appear on any search conducted to determine those Persons asserting a Lien on Seller's Assets) on all Persons to whom service of the Sale Motion, the proposed Sale Order (including amendments) and the Supplement is required under the terms of the Bid Procedures Order, any other Order entered in the Bankruptcy Case or the Bankruptcy Code and the rules and regulations promulgated thereunder.

5.13 DISCLAIMERS. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN ARTICLE 3, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE TO PURCHASER, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN ARTICLE 3, OR EXCEPT AS EXPRESSLY SET FORTH IN THE SALE ORDER, THE ASSETS TO BE SOLD AND TRANSFERRED HEREUNDER SHALL BE SOLD (A) IN THEIR THEN EXISTING PHYSICAL CONDITION, WITH ALL DEFECTS, IF ANY, AND SUBJECT TO WEAR AND TEAR FROM THE DATE HEREOF TO THE CLOSING DATE AND (B) ON AN "AS IS, WHERE IS" BASIS

5.14 Further Assurances. Each party shall use its commercially reasonable efforts to (i) take all actions necessary or appropriate to consummate the transactions contemplated herein and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate same. Without limiting the generality of the foregoing, promptly after the discovery by Seller of any item included within the definition of Assets but not transferred, conveyed or assigned to Purchaser, (x) Seller will deliver written notice to Purchaser of the existence and non-transfer, non-conveyance or non-assumption of such item and provide Purchaser with all the information in Seller's possession about, and with access to such item in Seller's possession as Purchaser may reasonably request, and (y) if requested by Purchaser, Seller shall use commercially reasonable efforts to transfer, convey or assign to Purchaser such item in the manner and on the terms and conditions as applicable to an Asset.

5.15 Confidentiality.

(a) From and after the date hereof, Purchaser shall maintain in confidence, including that it shall not disclose to any third party without the prior written consent of Seller, and not use to the detriment of Seller, any Seller's Confidential Information relating to or obtained from Seller; provided, however, the foregoing restriction shall not apply to any disclosure by Purchaser of Seller's Confidential Information to any Affiliate of Purchaser or to its lenders and legal and financial advisors. For purposes of this Section 5.15, "Seller's Confidential Information" shall mean any information that is confidential or proprietary in nature that is related to the Assets, the Assumed Liabilities, the Business, the Excluded Assets, or the Excluded Liabilities, including methods of operation, patient information, prices, fees, costs, technology, software, know-how, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters; provided, however, that Seller's Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) becomes generally available to the public other than as a result of a disclosure by Purchaser or its agents or other representatives, (ii) becomes available to Purchaser on a non-confidential basis from a source other than Seller, provided that such source

is not known by Purchaser to be bound by a confidentiality agreement with, or other obligation of secrecy to, Seller, (iii) is lawfully received by Purchaser from a third party having the right to disseminate Seller's Confidential Information without restriction on disclosure or (iv) can be shown by Purchaser through written documents or evidence maintained by Purchaser to have been independently developed by Purchaser; and provided further, that upon the Closing, the restrictions contained in this Section 5.15 shall not apply to confidential or proprietary information related primarily to the Assets, the Assumed Liabilities or the Business. Purchaser may disclose Seller's Confidential Information to those who need to know it for the purpose of effectuating the transactions contemplated herein and who agree to keep it confidential. Purchaser shall instruct such Persons having access to Seller's Confidential Information of such obligation of confidentiality. If Purchaser or anyone to whom Purchaser has transmitted Seller's Confidential Information subject to the confidentiality obligations herein becomes legally compelled to disclose any of such Confidential Information, Purchaser shall provide Seller with notice prior to making any disclosure so that Seller may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, or Seller waives compliance with the provisions of this Section 5.15(a), Purchaser shall furnish only that portion of Seller's Confidential Information that it is advised by written opinion of counsel is legally required to be disclosed.

(b) From and after the date on which the Sale Order is entered, unless this Agreement is terminated, Seller shall maintain in confidence, not disclose to any third party without the prior written consent of Purchaser, and not use to the detriment of Purchaser, any Business Confidential Information, other than in connection with (i) operating the Business in the Ordinary Course of Business prior to the Closing Date, (ii) any investigations by any Governmental Authority or any filings with the Bankruptcy Court, (iii) compliance activities prior to or after the Closing related to periods occurring prior to the Closing Date; (iv) any legal proceedings; (v) enforcing any rights or other claims of Seller under this Agreement or otherwise; and (vi) performing any obligations of Seller under this Agreement. For purposes of this Section 5.15(b), "Business Confidential Information" means any information that is confidential or proprietary in nature that is related to Purchaser or to the Assets, the Assumed Liabilities or the Business, other than information primarily pertaining to the Excluded Assets, or the Excluded Liabilities, including methods of operation, patient information, prices, fees, costs, technology, software, know-how, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters; provided, however, that Business Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) becomes generally available to the public other than as a result of a disclosure by Seller (other than in connection with filings with the Bankruptcy Court), (ii) becomes available to Seller on a non-confidential basis from a source other than Purchaser, provided that such source is not known by Seller to be bound by a confidentiality agreement with, or other obligation of secrecy to, Purchaser or (iii) is lawfully received by Seller from a third party having the right to disseminate the Business Confidential Information without restriction on disclosure. Seller may disclose Business Confidential Information to those who need to know it for the purpose of effectuating the transactions contemplated herein and who agree to keep it confidential. Seller shall instruct such Persons having access to Business Confidential Information of such obligation of confidentiality. If Seller or anyone to whom it has transmitted Business Confidential Information subject to the confidentiality obligations herein becomes legally compelled to disclose any of such Business Confidential Information

(other than in connection with filings with the Bankruptcy Court), Seller shall provide Purchaser with prompt notice prior to making any disclosure so that Purchaser may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, or Purchaser waives compliance with the provisions of this Section 5.15(b), Seller shall furnish only that portion of the Business Confidential Information that it is advised by written opinion of counsel is legally required to be disclosed.

(c) The obligations contained in this Section 5.15 shall survive the Closing and are in addition to any separate confidentiality agreements between Seller and Purchaser.

5.16 Acceptance and Discharge. Except to the extent, if at all, Liabilities of Seller to Purchaser are specifically stated herein to survive the Closing, (i) Seller shall cease to have any Liability of any kind or nature relating to its representations and warranties hereunder and/or covenants and agreements to be performed prior to the Effective Time, and (ii) Seller will, without any further writing or other act by Purchaser, at such time be fully and forever, irrevocably and unconditionally, released and discharged from all such Liabilities.

5.17 Cooperation. Seller and Purchaser agree to reasonably cooperate with each other in good faith from the date hereof up through and following the Closing Date, in any effort to satisfy all further conditions, undertakings and agreements contemplated by this Agreement to be effected after the Closing.

5.18 Surrender of License. Following the Closing and in accordance with the timing and other requirements of applicable Law, Seller shall surrender all licenses and operating certificates issued to it relating to the Business.

5.19 Removal of Certain Liens. If any Liens other than Permitted Encumbrances encumber any Assets, Seller shall have the right, within thirty (30) days of Seller's receiving Purchaser's written notice of any such Lien, to cause such Lien to be removed

5.20 Insurance. Neither Purchaser nor Seller shall have an obligation to purchase tail director and officer insurance coverage or tail professional liability insurance coverage.

5.21 Cost Reports. Seller shall file or cause to be filed the Cost Reports for the period prior to the Closing required to be filed with the Medicare or Medicaid programs or any other Third Party Payor or Governmental Body as a result of the consummation of the contemplated transactions. Seller shall assume and be responsible for Cost Report Liability incurred as a result of the filing of any of said reports or as a result of filing any previous Cost Report for periods prior to the Closing and, subject to Schedule 1, shall be entitled to receive any refund or other benefit which may result from the filing of said reports or otherwise allocable to periods prior to the Closing. All Cost Reports shall be prepared in accordance with applicable Law and consistent with past practices.

ARTICLE VI CONDITIONS TO PURCHASER'S AND SELLER'S OBLIGATIONS

The obligations of the Parties to consummate the transaction provided for in this Agreement shall be subject to the satisfaction of the following conditions on or before the Closing Date:

6.1 Entry of the Sale Order. The Bankruptcy Court shall have entered a sale order including any amendments thereto in form and substance reasonably satisfactory to the Parties and MPT (as amended the “Sale Order”), which approves this Agreement and the consummation of the transactions contemplated hereby in their entirety; and which provides for the following rulings and/or findings: (a) Purchaser is a “good faith” purchaser under Section 363(m) of the Bankruptcy Code; (b) timely, adequate, and sufficient notice of the sale was provided; (c) the Assets to be transferred to the Purchaser are property of the bankruptcy estate and Seller has all requisite authority and approval to transfer the Assets; (d) the total consideration to be realized by the Seller represents fair consideration and reasonably equivalent value in the context of any state or federal law governing the rights of creditors; (e) the conveyance and assignment of the Assets pursuant to this Agreement is a legal, valid, and effective transfer of the Assets to the Purchaser, and will vest the Purchaser with all right, title and interest of the Seller in and to the Assets free and clear of all Liens, Claims, interests and encumbrances except for those (i) liabilities to be assumed by Purchaser pursuant to this Agreement and (ii) Permitted Encumbrances, and (f) neither the Seller nor the Purchaser has engaged in any conduct that would cause or permit the Agreement, or the transfers contemplated thereby, to be avoided under Bankruptcy Code section 363(n).

6.2 No Injunctions. No injunction or restraining Order (whether temporary, preliminary or permanent) of any Governmental Authority shall exist against Purchaser or Seller that prevents the transactions contemplated hereby and approved in the Sale Order. No other Governmental Authority shall have enacted, issued, promulgated, enforced, or entered any statute, rule, regulation, or non-appealable judgment which prohibits or renders illegal the consummation of the Closing or the transactions provided for herein and approved in the Sale Order.

6.3 Compliance with Applicable Law. To the extent required by Law, the filing and waiting period requirements relating to any and all approvals necessary under the Healthcare Regulatory Consents and any other applicable Law, including any Hart Scott Rodino filing, if necessary, relating to consummation of the Closing or the transactions provided for herein shall have been duly complied with and/or such approvals shall have been obtained.

6.4 Consents. Purchaser shall have obtained (or shall have had transferred to it) those Healthcare Regulatory Consents and other Authorizations which Purchaser is required to apply for and/or obtain in order to operate the Business. Notwithstanding the foregoing, Purchaser shall not be obligated to consent to the imposition of materially burdensome conditions on Purchaser or its lenders in order to obtain the Healthcare Regulatory Consents and other Authorizations it being specifically understood and agreed that conditions required under the Indiana Regulations shall not constitute a materially burdensome condition.

6.5 Joinder to Master Lease. Purchaser and MPT are parties to the Master Lease pursuant to which Purchaser and/ or its Affiliates lease various hospital properties from MPT. Purchaser and MPT have agreed to add the Property to the Master Lease pursuant to a joinder

and amendment to the Master Lease and certain other related documents that cross-collateralize and cross-default the Master Lease with certain other related master leases, mortgages and deeds of trust by and among other Affiliates of Prime and other Affiliates of MPT, which are in the process of being completed. In connection therewith, the Master Lease shall also be amended as of the Closing Date as described in Section 2.8(d) hereof to provide that (a) Purchaser may elect to increase the valuation of the Property for rent and purchase option purposes under the Master Lease by the amount any positive net working capital existing as of the Closing Date, and (b) an amount equal to any negative working capital as of the Closing Date will automatically be applied as a reduction in the valuation of the Property for rent and purchase option purposes under the Master Lease. The terms and conditions set forth in this Section are delineated in greater detail in draft documents including: Fourth Amendment to Master lease draft date October 9, 2014, Prospective Joinder Agreement, draft date October 8, 2014, Fourth Omnibus Joinder and Amendment Agreement draft date October 10, 2014 and Composite Master Lease Agreement draft date October 9, 2014.

ARTICLE VII CONDITIONS TO PURCHASER'S OBLIGATIONS

The obligations of Purchaser to consummate the transactions provided for in this Agreement shall be subject to the satisfaction of each of the following conditions on or before the Closing Date, subject to the right of Purchaser, in its sole discretion, to waive any one or more of the conditions set forth below:

7.1 Representations and Warranties of Seller. The representations and warranties of Seller contained in this Agreement, taken as a whole, shall be true and correct in all material respects on the Closing Date, except to the extent that any representation or warranty is made only as of a specified date, in which case the accuracy of such representation or warranty shall be measured as of such date, and except to the extent of changes permitted by the terms of this Agreement.

7.2 Schedules. The matters set forth on the Schedules shall be true and correct in all material respects on the Closing Date, except to the extent of changes permitted by the terms of this Agreement.

7.3 Documents. Purchaser shall have received a signed copy of this Agreement with all Schedules and Exhibits attached, as updated through and including the Closing, together with copies of all other documents and certificates to be executed and delivered by Seller at Closing.

7.4 Performance of Obligations. Seller shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by it prior to the Closing Date.

7.5 No Changes to Business. Since the date of this Agreement, there shall have been no material changes to the Business or Assets that, individually or in the aggregate, have had a material adverse effect on the Business, excluding adverse changes that (i) were projected to occur in any forecast or budget provided by Seller to Purchaser and/or (ii) relate to a proposed

sale of all or substantially all of Seller's Assets, thereby leaving Seller without an operating business.

7.6 Intentionally blank.

7.7 Release of Liens. All Liens on the Assets shall have been released pursuant to Bankruptcy Court order or otherwise, except for the Permitted Encumbrances and the Title Company has irrevocably committed to issue the Title Policy to Purchaser in the amount of the Purchase Price to Purchaser subject only to the Permitted Encumbrances.

7.8 Consents. Purchaser shall have obtained (or shall have had transferred to it) those Healthcare Regulatory Consents and other Authorizations which Purchaser is required to apply for and obtain in order to operate the Business. Notwithstanding the foregoing, Purchaser shall not be obligated to consent to the imposition of materially burdensome conditions on Purchaser or its lenders in order to obtain the Healthcare Regulatory Consents and other Authorizations it being specifically understood and agreed that conditions required under the Indiana Regulations shall not constitute a materially burdensome condition.

7.9 [Intentionally blank]

7.10 [Intentionally blank]

**ARTICLE VIII
CONDITIONS TO SELLER'S OBLIGATIONS**

The obligations of Seller to consummate the transactions provided for in this Agreement shall be subject to the satisfaction of each of the following conditions on or before the Closing Date, subject to the right of Seller, in its sole discretion to waive any one or more of the conditions set forth below:

8.1 Representations and Warranties of Purchaser. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date, except to the extent that any representation or warranty is made as of a specified date, in which case such representation or warranty shall be true in all material respects as of such date, and except to the extent of changes permitted by the terms of this Agreement.

8.2 Performance of this Agreement. Purchaser shall have materially performed or complied with all of the obligations to be performed or complied with by it under the terms of this Agreement on or prior to the Closing Date. The Purchaser shall have delivered to the Seller a certificate signed by a duly authorized officer of the Purchaser, dated as of the Closing Date, to the foregoing effect.

8.3 Payment of Purchase Price and Assumption of Liabilities and Assumed Contracts. Seller shall receive from Purchaser on the Closing Date the Purchase Price pursuant

to Section 2.12 of this Agreement and Purchaser shall have assumed the Assumed Liabilities pursuant to a document that is reasonably satisfactory to Seller.

8.4 **Documents.** Seller shall have received a signed copy of this Agreement with all Schedules and Exhibits attached, as updated through and including the Closing and copies of all such other documents and certificates executed and delivered hereunder.

ARTICLE IX SURVIVAL

9.1 **Survival.** Sections 2.7, 2.8, 2.9, 2.20, 5.1, 5.7, 5.8, 5.9, 5.13, 5.14, 5.15, 5.16, 5.17, 5.18, 5.19, 5.20 and 5.21, this Section 9.1 and Article 11, and all defined terms used therein, shall survive the Closing, except to the extent (if at all) that such survival is expressly limited herein. The representations and warranties of the Parties shall expire upon the consummation of the Closing.

ARTICLE X LIMITED AGREEMENT TERMINATION RIGHTS

10.1 **Termination of Agreement.** This Agreement and the transactions contemplated hereby may be terminated prior to the Closing Date only as follows:

- (a) by mutual written consent of Purchaser and Seller;
- (b) by either Party if the Closing shall not have occurred on or before the Closing Date;
- (c) by Purchaser if any of the conditions to the obligations of Purchaser to close set forth in Article VII shall have become incapable of fulfillment other than as a result of a breach by Purchaser of any covenant or agreement contained in this Agreement and such condition is not waived by Purchaser;
- (d) by Purchaser if there shall be a material breach by Seller, as determined by the Bankruptcy Court, of the representations and warranties, taken as a whole, or of any material covenant or agreement contained in this Agreement which breach cannot be or has not been cured within ten (10) Business Days after the giving of written notice by Purchaser to Seller of such breach;
- (e) by Seller if any of the conditions to the obligations of Seller to close set forth in Article VIII shall have become incapable of fulfillment other than as a result of a breach by Seller of any covenant or agreement contained in this Agreement and such condition is not waived by Seller;
- (f) by Seller if there is a material breach by Purchaser, as determined by the Bankruptcy Court, of the representations and warranties, taken as a whole, or of any material covenant or agreement contained in this Agreement which breach cannot be or has not been cured within ten (10) Business Days after the giving of written notice by Seller to Purchaser of such breach.

(g) by Seller or Purchaser if the Bankruptcy Court fails to approve this Agreement and enter the Sale Order by November 7, 2014, subject to Seller's right to extend the date of Closing as provided in the definition of Closing Date; or

10.2 Procedure for Termination. If this Agreement is terminated by Purchaser or Seller, or both, pursuant to Section 10.1, written notice thereof shall forthwith be given to the other party, and upon the giving of such notice (or at such time as specified in the particular termination right set forth in Section 10.1) the transactions contemplated hereunder shall be abandoned and this Agreement shall terminate to the extent and with the effect provided in Section 10.3, without further action by the parties.

10.3 Effects of Termination. If this Agreement is validly terminated as provided herein, then each party shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without Liability to any party; provided, however, that (i) the obligations of the parties set forth in Article XI of this Agreement, and to the extent necessary to effectuate the foregoing enumerated provisions, Article I of this Agreement, shall survive any such termination and shall be enforceable in accordance with their terms, and (ii) if this Agreement is terminated as provided herein, each party shall upon request redeliver or destroy as soon as practicable any or all documents, work papers and other material of the other party relating to its business or affairs or the transactions contemplated hereunder, whether obtained before or after the execution hereof, to the party furnishing the same, other than any material which is of public record. Nothing in this Section 10.3 shall relieve the parties of any Liability for a breach of this Agreement prior to the date of termination. Notwithstanding the foregoing, no attorneys' fees reasonably incurred by a party in connection with the transactions contemplated herein, or out-of-pocket expense reimbursement or other fees, shall be payable to any party upon termination of this Agreement pursuant to Section 10.1.

ARTICLE XI MISCELLANEOUS

11.1 Assignment; Binding Agreement.

(a) Except as set forth in Section 11.1(c), neither this Agreement nor any rights or obligations of a Party hereunder may be assigned or delegated without the other Party's prior written consent. Any purported assignment or delegation without such consent shall be void.

(b) This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the Parties hereto and to their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights, remedies, obligations, or Liabilities.

(c) Purchaser shall have the right to assign its rights and obligations under this Agreement including, without limitation, its right to acquire all or any portion of the Assets to its Affiliates and/or to its lender if a sale/leaseback transaction is used to finance the transactions contemplated by this Agreement. Notwithstanding any transfer permitted by this Section

11.1(c), Purchaser shall remain liable to Seller with respect to its obligations under this Agreement.

11.2 Post-Closing Cooperation. From time to time after the Closing, Seller will execute and deliver, or cause to be executed and delivered, such documents to Purchaser as Purchaser shall reasonably request in order to consummate more effectively the transactions contemplated by this Agreement, including, without limitation, the transfer of the Assets to Purchaser. From time to time after the Closing, Purchaser will execute and deliver, or cause to be executed and delivered, such documents to Seller as Seller shall reasonably request in order to consummate more effectively the transactions contemplated by this Agreement, including, without limitation, Purchaser's assumption of the Assumed Liabilities. From and after the Closing, Seller shall use its commercially reasonable efforts to deliver to Purchaser all such books, reports and other documents that constitute or relate to Assets (which may be redacted to the extent not relevant to the Assets) as may be requested by Purchaser which were not delivered on or before the Closing Date, and to assist the Purchaser in obtaining any Authorizations not obtained by Purchaser prior to the Closing.

11.3 Expenses. Except as set forth in this Agreement, each Party shall pay the fees and expenses of its respective counsel, accountants and other experts and shall pay all other expenses incurred by it in connection with the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby.

11.4 Entire Agreement and Modification. This Agreement, including any Exhibits and Schedules attached hereto and thereto and any other documents hereby required to be delivered at the Closing, and any confidentiality agreement previously executed by Seller and Purchaser or Purchaser's Affiliate, constitute the entire agreement between the Parties and supersede all prior discussions, negotiations or agreements relating to the subject matter of this Agreement. No changes of, additions to or other modifications of this Agreement shall be valid unless the same is in writing and signed by the Parties.

11.5 Severability. If any provision of this Agreement shall be determined to be contrary to Law and unenforceable by any Court, the remaining provisions shall be severable and enforceable in accordance with their terms. To the extent any provision of this Agreement is enforceable in part but not in whole, such provision shall be enforced to the maximum extent permitted by applicable Law.

11.6 Waiver. Any of the conditions to Closing set forth in this Agreement, except for those set forth in Article VI, may be waived at any time prior to or at the Closing hereunder by the Party entitled to the benefit thereof. Any such waiver shall only be effective if it is in writing and signed by the Party to be charged with such waiver. The failure of any Party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any other breach of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of such Party thereafter to enforce each and every such provision. No waiver of any breach of or non-compliance with this Agreement shall be held to be a waiver of any other or subsequent breach or non-compliance.

11.7 Counterparts. This Agreement may be executed in multiple counterparts, by the Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. All signatures of the Parties to this Agreement may be transmitted by email or facsimile, and such email or facsimile of signature will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces and will be binding upon such Party.

11.8 Headings; Interpretation. The table of contents and article and section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

11.9 Governing Law. This Agreement shall be construed and interpreted according to the Laws of the State of Indiana, without regard to the application of the choice of law principles thereof. All of the conveyance documents executed and delivered pursuant to the terms hereof shall be governed by and continued and interpreted according to the Laws of the State of Indiana, without regard to the application of the choice of law principles thereof.

11.10 Bankruptcy Court Jurisdiction.

(a) Purchaser and Seller agree that until the effective date of the Plan of Reorganization in the Bankruptcy Case, the Bankruptcy Court shall have exclusive jurisdiction over all disputes, Claims and other controversies (collectively, “Disputes”) and other matters relating to (a) the interpretation and enforcement of this Agreement or any document executed pursuant hereto; (b) the Assets; (c) the Assumed Liabilities and (d) any of Seller’s obligations surviving Closing, and Purchaser expressly consents to and agrees not to contest such exclusive jurisdiction.

(b) If the Bankruptcy Court reserves jurisdiction to consider Disputes arising under this Agreement post-confirmation, then all such Disputes shall be brought before the Bankruptcy Court. The parties shall jointly request that the Bankruptcy Court reserve such jurisdiction. To the extent allowed under existing and controlling law in the Seventh Circuit as of the Closing Date, the parties consent to the jurisdiction of the Bankruptcy Court to hear all such Disputes and to enter final orders with respect to all matters and issues raised therein.

11.11 Notices. All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if the same shall be in writing and shall be delivered or sent (a) by personal delivery against a receipted copy, (b) by certified mail, return receipt requested, or (c) by e-mail if the addressee confirms receipt of the e-mail, and addressed as set forth below:

If to Purchaser to:

Troy A. Schell
General Counsel
Prime Healthcare Management, Inc.
3300 East Guasti Road

Mark E. Bradshaw
Partner
Shulman, Hodges & Bastian LLP
8105 Irvine Center Drive

Ontario, CA 91701
Office: (909) 235-4311
Fax: (909) 235-4419
Email: TSchell@primehealthcare.com

Suite 600
Irvine, CA 92618
Direct: (949) 427-1654
Office: (949) 340-3400
Fax: (949) 340-3000
Email: MBradshaw@shblp.com

If to Seller to:

Mike McNally
Partner
Delk McNally LLP
3815 River Crossing Parkway
Suite 100
Indianapolis, IN 46240
Direct: (317) 442-4374
Office: (317) 442-4444
Fax: (888) 453-0545
Email: mcnally@delkmcnally.com

Thomas C. Scherer
Partner
Bingham Greenebaum Doll LLP
2700 Market Tower
10 West Market Street
Indianapolis, IN 46204
Direct: (317) 968-5407
Office: (317) 635-8900
Fax: (317) 236-9907
Email: tscherer@bgdlegal.com

James "Jim" R. Irving
Of Counsel
Bingham Greenebaum Doll LLP
3500 National City Tower
101 South Fifth Street
Louisville, KY 40202
Direct: (502) 587-3606
Office: (502) 589-4200
Fax: (502) 587-3695
Email: jirving@bgdlegal.com

A Party may change the address to which notices hereunder are to be sent to it by giving notice of such change of address in the manner provided above. Any notice delivered personally shall be deemed to have been given on the date it is delivered, or upon attempted delivery if acceptance of delivery is refused.

11.12 Effectiveness. This Agreement shall be effective only when duly signed by Seller in accordance with the order of the Bankruptcy Court approving the sale to Purchaser.

[SIGNATURES APPEAR ON NEXT PAGE]

Schedule 1	Excluded Assets
Schedule 2	Selected Senior Managers of the Business and Purchaser's Parent Company
Schedule 3	[intentionally blank]
Schedule 4	[intentionally blank]
Schedule 5	List of Permitted Encumbrances
Schedule 6	Real Property
Schedule 7	Taxes and Assessments
Schedule 2.7	Assumed Contracts
Schedule 3.7	Medicare/Medicaid
Schedule 3.8	Provider Agreements
Schedule 3.9	Subsidiaries
Exhibit A	Intentionally Omitted
Exhibit B	Form Assignment and Assumption of Contracts
Exhibit C	Form of Bill of Sale

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

SELLER:

MONROE HOSPITAL, LLC

By:_____

Print Name:

Title:

PURCHASER:

PRIME HEALTHCARE SERVICES –
MONROE, LLC

By:_____

Print Name:

Title:

SCHEDULE 1

Excluded Assets

“Excluded Assets” means the following assets, properties, interests and rights of Seller:

(a) any rights, Claims, counterclaims, third party Claims or causes of action of Seller against any Person and any actions under Chapter 5 of the Bankruptcy Code, including, without limitation, under Sections 545, 547, 548, 549, 550, 551 and 724(a) of the Bankruptcy Code;

(b) all Actions and/or causes of actions that Seller has brought and/or may bring against any Person relating to any Excluded Asset and/or Excluded Liabilities, including, without limitation, all Actions and/or causes of action that Seller may bring against any current or former director, officer, employee or consultant of Seller;

(c) any insurance policies, not explicitly assumed and assigned to the Purchaser, and the rights to proceeds thereunder, including, without limitation, any director or officer insurance policies relating to any matter, event or circumstance occurring on or prior to the Closing Date except as otherwise provided for in Section 5.10;

(d) all Contracts, Permits and other assets that require a consent (taking into consideration the provisions of the Bankruptcy Code), to transfer same unless (i) such written consent is obtained and (ii) the Purchaser assumes all liabilities arising thereunder, including all Cure Payments, if applicable (it being understood that Seller shall not be required to obtain or attempt to obtain any such consent);

(e) all rights or documents relating to any Excluded Liability or other Excluded Asset;

(f) any rights or remedies provided to Seller under this Agreement and applicable Law and each other document executed in connection with the Closing;

(g) all rights relating to all applications for grants filed prior to the Effective Time, including all proceeds of grants awarded (including awards made and/or grant funds provided after the Closing);

(h) any (i) personnel files for employees of Seller who are not hired by Purchaser; (ii) other books and records that Seller is required by Law to retain; provided, however, that except as prohibited by Law and subject to Article 5, Purchaser shall have the right, at Purchaser's sole expense, to receive or make copies of any portions of such retained books and records that relate to the Business as conducted before the Closing or that relate to any of the Assets; (iii) documents which Seller is not permitted to transfer pursuant to any contractual obligation owed to any third party; (iv) documents primarily related to any Excluded Assets; and (v) documents necessary to prepare tax returns (Purchaser shall be entitled to a copy of such documents referred to in this clause (v)). With respect to documents necessary to prepare cost reports, which shall be specified in writing by the Purchaser, the Purchaser shall receive the original document (to the extent such original can reasonably be located by Seller)

and Seller shall be entitled to retain a copy of such documents for any period ending on or prior to the Closing Date;

(i) all of Seller's deposits and other prepaid charges and expenses paid in connection with or relating to any Excluded Assets or Excluded Liabilities, including, but not limited to, any deposits made with the Debtor's utility providers whether under the terms of the *Order Granting Motion of the Debtor and Debtor In Possession for Entry of an Order Under 11 U.S.C. § 366 Establishing Adequate Assurance Procedures with Respect to Its Utility Providers* [Docket No. 24] or otherwise;

(j) any assets disposed of or consumed in the ordinary course of business (except any disposed of or consumed in breach of the provisions of this Agreement) during the period between the date hereof and the Closing Date;

(k) Seller's minute book and similar corporate records;

(l) payments received from any Medicare Dependent Status claim made prior to the Closing Date;

(m) any Privilege that relates to any Excluded Asset or any Excluded Liability;

(n) the "Wind Down Expense" in the amount of \$300,000 (but subject to increase upon the mutual consent of the Seller, the Purchaser and MPT) designated in the budget attached as **Exhibit B** to the *Final Order (I) Authorizing the Debtor's Use of Cash Collateral, (II) Granting Adequate Protection to the Debtor's Prepetition Secured Lenders and to Cardinal health, (III) Authorizing the Debtor to Obtain Postpetition Financing, and (IV) Granting Liens to the Postpetition Lender* [Docket No. 87] (the "Final Financing Order"); and

(o) the "Carve-Out"(as defined in the Final Financing Order) and any amounts held or controlled by the Debtor's professionals subject thereto.

SCHEDULE 2

Part 1

Selected Senior Managers of the Business

- Joseph Roche, President
- Brad Hollinger, Chairman of the Board of Directors

Part 2

Selected Senior Managers Purchaser's Parent Company

- Troy Schell, General Counsel
- Mike Sarian, President of Operations

SCHEDULE 2.1

Debtor's Deposit Accounts

<u>Deposit Account Maintained At</u>	<u>Account Number</u>
Old National Bank	Account ending in 8932
Old National Bank	Account ending in 8921
Old National Bank	Account ending in 8943
US Bank	Account ending in 8608
Old National Bank	Account ending in 8548
Old National Bank	Account ending in 0959
Old National Bank	Account ending in 0970
Old National Bank	Account ending in 8559

SCHEDULE 3

INTENTIONALLY BLANK

SCHEDULE 3.7

The Seller has been informed by an auditor working on behalf of the Centers for Medicare and Medicaid Services (“CMS”) that the Seller has not complied with the terms of a “meaningful use” grant that the Seller received in accordance with Section 13411 of the Health Information Technology for Economic and Clinical Health Act. Accordingly, the Seller will likely be liable to CMS for a refund of the amount of the grant.

SCHEDULE 4
INTENTIONALLY BLANK

SCHEDULE 5

Permitted Encumbrances

NONE

SCHEDULE 6

Real Property

Property located at 4011 S. Monroe Medical Park Blvd., Bloomington, Indiana

SCHEDULE 7

Taxes and Assessments

- Personal property taxes billed for Monroe County, Indiana in the approximate amount of \$300,000.

SCHEDULE 2.7

Assumed Contracts

The DIP Loan Agreement as defined in this Agreement.

The Management Services Agreement with Prime Healthcare Management, Inc. a California corporation.

The following health plan agreements:

- Cofinity (PPOM, LLC)
- Coventry Healthcare Inc. and Multiplan, Inc.

The following additional assumed contracts/leases:

- CPSI
- 3M
- Athena
- Letter agreements with Quality Reimbursement Services Inc. (QRS)

SCHEDULE 3.8

Provider Agreements

All of the Debtor's agreements with government agencies or other parties relating to the Medicare or Medicaid programs, including, but not limited to:

- Any and all agreements between the Debtor, on the one hand, and State of Indiana, including any department or agency thereof and any of their agents or affiliates, on the other hand, related to the provider number 200836430 A; and
- Any and all agreements between the Debtor, on the one hand, and the Department of Human Services, CMS or their agents or affiliates, on the other hand, related to the provider number 15-0164.

SCHEDULE 3.9

Subsidiaries

Monroe Hospital Management, LLC, an Indiana limited liability company

EXHIBIT “A”

[INTENTIONALLY OMITTED]

EXHIBIT “B”

FORM OF ASSIGNMENT AND ASSUMPTION OF CONTRACTS

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS (“Assignment”) is made and entered into as of _____, 2014, by and between Monroe Hospital, LLC, an Indiana limited liability company (“Assignor”), and Prime Healthcare Services – Monroe, LLC, a Delaware limited liability company (“Assignee”).

A. Assignor and Assignee have entered into that certain Asset Purchase Agreement dated December 16, 2014 (as amended, the “Purchase Agreement”).

B. Pursuant to the Purchase Agreement, Assignor is to assign to Assignee and Assignee is to assume all of Assignor’s rights and obligations under those contracts listed on Exhibit A attached hereto (collectively, the “Assumed Contracts”).

NOW, THEREFORE, Assignor and Assignee agree as follows:

ASSIGNMENT OF CONTRACTS.

Assignment. Assignor hereby assigns to Assignee all of Assignor’s right, title and interest in and to the Assumed Contracts as of the Effective Date (hereafter defined).

Assumption. Assignee hereby accepts the foregoing assignment, assumes the Assumed Contracts for the benefit of Assignor, and agrees to timely keep, perform and discharge all of the obligations under the Assumed Contracts that accrue from and after the Effective Date hereof.

Indemnification. Assignee shall indemnify and defend Assignor against and hold Assignor harmless from all claims arising out of any failure of Assignee to keep, perform and discharge all of the obligations under the Assumed Contracts that accrue from and after the Effective Date. Assignor shall indemnify and defend Assignee against and hold Assignee harmless from all claims arising out of any failure of Assignor to keep, perform and discharge all of the obligations under the Assumed Contracts that accrue prior to the Effective Date.

Effective Date. The “Effective Date” of this Assignment shall be the Closing Date (as defined in the Purchase Agreement), which shall be December 31, 2014.

Consistency with Purchase Agreement. Nothing in this Assignment shall be construed to modify or limit any provisions of the Purchase Agreement and in the event of any inconsistency between this Assignment and the Purchase Agreement, the Purchase Agreement shall control.

MISCELLANEOUS.

Attorneys’ Fees. In the event of any litigation arising out of the subject matter of this Assignment, the prevailing party shall be entitled to reasonable attorneys’ fees and costs.

Inurement. This Assignment shall inure to the benefit of Assignor and Assignee, and their respective heirs, assigns and successors in interest, and no other person or entity.

Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Indiana.

Counterparts. This Assignment may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

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

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

ASSIGNOR:

MONROE HOSPITAL, LLC, an Indiana
limited liability company

By: _____
Print Name: _____
Title: _____

ASSIGNEE:

PRIME HEALTHCARE SERVICES –
MONROE, LLC, a Delaware limited
liability company

By: _____
Print Name: _____
Title: _____

EXHIBIT “A” TO ASSIGNMENT AND ASSUMPTION OF CONTRACTS

Assumed Contracts

The DIP Loan Agreement as defined in this Agreement.

The Management Services Agreement with Prime Healthcare Management, Inc. a California corporation.

The following health plan agreements:

- Cofinity (PPOM, LLC)
- Coventry Healthcare Inc. and Multiplan, Inc.

The following additional assumed contracts/leases:

- CPSI
- 3M
- Athena
- Letter agreements with Quality Reimbursement Services Inc. (QRS)
- NP Contract with Theresa Woodward
- PA Contract with Wendy Veeder
- Physician Contract with Dr. Matthew Parmenter
- Physician Contract with Dr. Florence Aslinia
- Physician Contract with Dr. William Schmalz
- Physician Contract with Dr. Topolgus
- Physician Contract with Dr. Mary Van Kooten
- Physician Contract with Dr. Thomas Sharp
- Physician Contract with Dr. William Spence
- Physician Contract with Dr. William Rusche

EXHIBIT “C”

FORM OF BILL OF SALE

BILL OF SALE

THIS BILL OF SALE (this “Bill of Sale”), dated as of _____, 2014 is entered into between Monroe Hospital, LLC, an Indiana limited liability company (“Seller”) and Prime Healthcare Services – Monroe, LLC, a Delaware limited liability company (“Buyer”).

For good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Seller does give, grant, bargain, sell, transfer, assign, convey and deliver to Buyer, all of the Assets (as defined in and pursuant to that certain Asset Purchase Agreement dated as of _____, 2014 between, inter alia, Seller and Buyer.

Seller hereby covenants that it will, upon reasonable written request therefor and at Buyer’s sole cost and expense, execute and deliver such other documents; and do such other acts and things, all as Buyer, its nominees, successors and/or assigns may reasonably request in order to fully assign and transfer to and vest in Buyer, its nominees, successors and/or assigns, and protect its or their rights, title and interest in and enjoyment of, all of the assets of such Seller intended to be transferred and assigned hereby.

All references to “Seller” and “Buyer” herein shall be deemed to include their respective designees, nominees, successors and/or assigns, where the context permits.

This Bill of Sale is governed by the laws of the State of Indian without regard to its conflicts of law principles that would cause the application of the laws of another jurisdiction.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale as of the date first written above.

SELLER:

MONROE HOSPITAL, LLC, an Indiana
limited liability company

By: _____
Print Name: _____
Title: _____

PURCHASER:

PRIME HEALTHCARE SERVICES –
MONROE, LLC, a Delaware limited
liability company

By: _____
Print Name: _____
Title: _____