

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

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 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

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 “Bid Procedures Motion”) under sections 105(a), 363 and 365 of title 11 of the United States Code (the “Bankruptcy Code”), rules 2002, 6005, 6006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule B-6004-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana (the “Local Rules”) for entry of an order: (a) approving and authorizing bidding procedures (the “Bid Procedures”) in connection with the sale of substantially all of the Debtor’s assets (the “Sale”); (b) scheduling the related auction (the “Auction”) and hearing to consider approval of the Sale (the “Sale Hearing”); (c) approving procedures related to the assumption and assignment (the “Assumption Procedures”) of certain executory contracts (the “Contracts”) and unexpired leases (the

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

“Leases”); (d) approving the form and manner of notice thereof; and (e) granting related relief. Contemporaneously herewith the Debtor is also filing the *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* (the “Sale Motion”). In support of this Bid Procedures 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.

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 this chapter 11 bankruptcy case (the “Chapter 11 Case”). No trustee or examiner has been appointed in the Chapter 11 Case.

3. Since 2006, the Debtor has operated a 32 licensed bed private acute care medical surgical hospital located in Bloomington, Indiana (the “Hospital”). Through the Hospital, the Debtor offers critical medical and surgical care to the local community. Patients are individuals

who seek medical attention for acute or chronic clinical conditions and are referred by their personal physicians or access care through the emergency department. The Hospital is licensed by the State of Indiana through December 2014. The Hospital is accredited by The Joint Commission, which accreditation expires July 20, 2016. As of the Petition Date, the Debtor employed approximately 315 employees to conduct its business operations.

4. The Debtor leases the land (the "Real Estate") on which the Hospital is located from MPT Bloomington, LLC ("MPT Bloomington") under the Lease Agreement dated October 7, 2005, by and between Borrower, as lessee, and MPT Bloomington, as lessor, 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, and as it has further been and may hereafter be amended, modified and/or restated from time to time, the "Lease"). MPT Development Services, Inc. ("MPT Development", and together with MPT Bloomington, "MPT"), an affiliate of MPT Bloomington, acts as a lender to the Debtor under the Loan Agreement dated as of February 28, 2007, as later modified and amended (the "Loan Agreement"). As of the Petition Date, the Debtor's obligations under the Lease and the Loan Agreement were in the approximate amount of \$121,752,898.30. To secure the Debtor's obligations under the Lease and the Loan Agreement, the Debtor granted MPT a security interest in substantially all of the Debtor's assets. In addition to its secured debt, the Debtor estimates that it owes its general unsecured creditors approximately \$13,000,000.

5. Prior to the Petition Date, the Debtor was suffering from an insufficient cash flow as a result of low patient census and high expenses. Although there are 32 beds at the Hospital, the average patient census is 8. This low patient census is a result of the fact that the Debtor suffers from competition from other providers in the area. As a consequence of its low patient

census, the Debtor received insufficient revenue to meet its prepetition expenses.

6. As a result of its insufficient revenue, the Debtor defaulted under the terms of both the Lease and the Loan Agreement. On September 2, 2009, the Debtor and MPT entered into a forbearance agreement (as amended, the "Forbearance Agreement") under which MPT agreed to forbear from exercising certain remedies available to it. As contemplated by the Forbearance Agreement, MPT Bloomington has terminated the Lease, leaving the Debtor as a holdover, month-to-month tenant at will. Subsequently, the Debtor, in coordination with MPT, began marketing itself in an attempt to negotiate a possible sale, merger or other transaction involving the Hospital.

7. Since it began marketing the Hospital for sale, the Debtor has contacted numerous potential buyers and has executed confidentiality agreements with five of those potential buyers. Members of the senior management team of Alecto Healthcare Services ("Alecto") visited the Hospital on several occasions starting in 2012 and continuing into 2014. They discussed with the principals of MPT and the Debtor the possibility of Alecto managing and/or purchasing Hospital. A confidentiality agreement was executed in February of 2014. Based on its investigation Alecto chose not to proceed with any transaction involving the Hospital. In November of 2011 and again in October of 2013 a proposed joint venture between Franciscan Health of Indianapolis and Premier Healthcare, LLC executed a confidentiality agreement; however, the parties could not agree to terms of purchase. In September 2012, the Debtor executed a letter of confidentiality to undertake due diligence with the hope of entering a letter of intent to purchase with St. Vincent Health, Inc. and as part of its due diligence process St. Vincent Health, Inc. assumed the day-to-day management of the Hospital's operations under a separate management agreement. In October 2013 St. Vincent Health, Inc. opted not to purchase

the Hospital and it terminated the management agreement. In March 2013, the Debtor executed a letter of intent with Premier Healthcare, LLC, which also, as part of its due diligence process, assumed the day-to-day management of the Hospital's operations under a separate management agreement. In June 2014 Premier Healthcare, LLC opted not to purchase the Hospital and it terminated the letter of intent and management agreement.

8. On July 23, 2014, MPT, the Debtor, Vibra Acute Care, LLC² and Prime Healthcare Services Monroe LLC ("Prime Services") entered into a Letter of Intent (the "LOI"). The LOI contemplates a sale of the assets and operations of the Debtor to an affiliate of Prime Services, Prime Healthcare Management, Inc. ("Prime Management", and together with Prime Services and certain of its affiliates, "Prime"), and the Real Estate would be leased to Prime Management. The transaction would be consummated by this Chapter 11 Case and a sale conducted under section 363 of the Bankruptcy Code.

9. The LOI also contemplates MPT Development providing the Debtor postpetition financing and MPT authorizing the Debtor to use its cash collateral, subject to certain conditions. On August 12, 2014, the Court entered an order [Docket No. 27] authorizing the Debtor, on an interim basis, to use MPT's cash collateral and to obtain postpetition financing from MPT Development. The Court has set a hearing to consider the Debtor's use of cash collateral and postpetition financing for August 27, 2014 at 3:00 p.m. (Eastern).

10. Contemporaneously upon entering into the LOI, the Debtor and Prime Management entered into a Management Services Agreement (the "Management Agreement") whereby Prime Management will provide certain management services to the Debtor. Aside from the Management Agreement, the Debtor is not aware of any known relationships between

² Vibra Acute Care, LLC ("Vibra") acted as the manager for the Hospital prior to September 1, 2012, it is the Debtor's largest equity security holder and it has the right to appoint up to four members to the Debtor's board of directors.

Prime and its insiders and the Debtor and its insiders.

11. Attached hereto as Exhibit A is the *Asset Purchase Agreement by and between Monroe Hospital, LLC (as seller) and Prime Healthcare Services Monroe, LLC (as buyer)* (the “Stalking Horse Agreement”) under which Prime contemplates purchasing the Debtor’s assets and consummating the sale. The Stalking Horse Agreement is subject to further modifications and negotiations to be made between the Debtor and Prime prior to the closing of the Sale.

12. Under the terms of the Stalking Horse Agreement, Prime intends to assume certain obligations of the Debtor related to the Hospital, including, but not limited to obligations under the “Working Capital Advance”, as described in the Stalking Horse Agreement, current operating expenses, payroll obligations, and obligations under certain Contracts and Leases to be assigned. Prime does not intend to make a cash or cash equivalent contribution to the Debtor’s bankruptcy estate as part of the sale price under the Stalking Horse Agreement. Prime does not seek any bid protections, such as expense reimbursements or a break-up fee.

13. After the consummation of the Sale, the Debtor intends to either propose a plan of liquidation, convert the Chapter 11 Case to a proceeding under chapter 7 of the Bankruptcy Code or dismiss the Chapter 11 Case. Accordingly, the Debtor will not have any relationship with Prime after the Sale. The Debtor is unaware of the relationship any of its insiders might develop with Prime in the future.

Relief Requested

14. The Debtor requests entry of an order (the “Bid Procedures Order”): (a) approving the Bidding Procedures, the form of which are attached hereto as Exhibit B, for submitting bids to purchase substantially all of the Debtor’s assets and conducting the Auction; (b) scheduling the Auction for October 8, 2014 at 10:00 a.m. (Eastern) at the offices of Bingham Greenebaum

Doll, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204, or at such other place, date and time as may be designated by the Debtor; (c) scheduling the Sale Hearing on or before October 17, 2014; (d) approving the Assumption Procedures; and (e) approving the form and manner of notice of the Auction and Sale (the “Procedures Notice”) and of the assumption and assignment of the Contracts and Leases (the “Cure Notice”).

Disclosures Made Pursuant to Local Rule B-6004-1

15. The following disclosures are made pursuant to Local Rule B-6004-1:

<p>Property to be Sold</p> <p><i>Local Rule B-6004-1(c)(1)(A)(i), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>Substantially all of the assets of the Debtor, other than the Excluded Assets (defined below). ¶ 16.</p>
<p>Prospective Purchaser</p> <p><i>Local Rule B-6004-1(c)(1)(A)(ii), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>Prime ¶ 8.</p>
<p>Sales Price</p> <p><i>Local Rule B-6004-1(c)(1)(A)(iii), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>Prime intends to assume obligations of the Debtor related to the Hospital, including, but not limited to obligations under the “Working Capital Advance”, as described in the Stalking Horse Agreement, current operating expenses, payroll obligations, and obligations under certain Contracts and Leases to be assumed by the Debtor. Prime does not intend to make a cash or cash equivalent contribution to the Debtor’s bankruptcy estate as part of the sale price under the Stalking Horse Agreement. ¶ 12.</p>
<p>Contingencies to the Sale</p> <p><i>Local Rule B-6004-1(c)(1)(A)(iv), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>There are no contingencies to the Sale regarding financing. A copy of the Stalking Horse Agreement setting forth all of the terms and contingencies of the Sale is attached hereto as <u>Exhibit A</u>.</p>
<p>Marketing Efforts</p> <p><i>Local Rule B-6004-1(c)(1)(A)(v), as made</i></p>	<p>The Debtor has marketed its assets since 2009 and has entered into numerous letters of intent before executing the LOI with Prime. ¶ 7. If</p>

<p><i>applicable by Local Rule B-6004(c)(3)</i></p>	<p>the Bid Procedures are approved the Debtor will further market its assets for sale.</p>
<p>Description of Any Known Relationships between the Prospective Purchaser and Its Insiders and the Debtor and Its Insiders or the Trustee</p> <p><i>Local Rule B-6004-1(c)(1)(A)(vi), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>Aside from the Management Agreement, the Debtor is not aware of any known relationships between Prime and its insiders and the Debtor and its insiders. ¶ 10.</p>
<p>Disclosure if the Property to be Sold Contains Personally Identifiable Information and, if so, the Measures that Will be Taken to Comply with 11 U.S.C. §363(b)(1)</p> <p><i>Local Rule B-6004-1(c)(1)(A)(vii), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>The Purchased Assets contain personally identifiable information and the Debtor has taken efforts to ensure compliance with section 363(b)(1) of the Bankruptcy Code. ¶¶ 55-59.</p>
<p>Summary of the Debtor's Debt Structure</p> <p><i>Local Rule B-6004-1(c)(1)(B)(i), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>As of the Petition Date, the Debtor's obligations to MPT under the Lease and Loan Agreement are in the amount of \$121,752,898.30 and are secured by a security interest in substantially all of the Debtor's assets. In addition, the Debtor estimates that it owes its general unsecured creditors approximately \$13,000,000. ¶ 4.</p>
<p>Relationship or Connection the Debtor (Including Its Insiders) Will Have with the Prospective Purchaser After Confirmation of the Sale</p> <p><i>Local Rule B-6004-1(c)(1)(B)(ii), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>The Debtor will not have any relationship with Prime after the Sale. The Debtor is unaware of the relationship any of its insiders might develop with Prime in the future. ¶ 13.</p>
<p>If a Creditors' Committee, or its Equivalent, Existed Pre-Petition, the Identity of the Members of the Committee and the Companies with which they are Affiliated and the Identity of Any Counsel</p> <p><i>Local Rule B-6004-1(c)(1)(B)(iii), as made applicable by Local Rule B-6004(c)(3)</i></p>	<p>Not applicable, as a Committee was not in existence before the Petition Date.</p>

--	--

Assets to be Sold

16. As noted above, the Debtor seeks to complete a Sale of substantially all of its assets, which comprise, among other things, all right, title and interest of the Debtor in the Debtor'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 the Debtor, including, without limitation, all of the assets and properties used in or related to the Hospital, including, but not limited to, the services and programs provided thereat and any outpatient, auxiliary or other healthcare business, but excluding the Excluded Assets (the "Purchased Assets")

17. The Excluded Assets include, without limitation:³
- (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;
 - (c) all insurance policies and all 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);

³ Capitalized terms used in this list and not otherwise defined shall have the meanings given to them in the Stalking Horse Agreement.

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

18. Except as otherwise provided in an Asset Purchase Agreement (as defined below), all of the Debtor's rights, title and interest in all of the Purchased Assets shall be sold free and clear of any liens, security interests, claims, charges or encumbrances in accordance with section

363 of the Bankruptcy Code. The Debtor proposes that any such liens, security interests, claims, charges or encumbrances shall attach to the amounts payable to the Debtor's bankruptcy estate resulting from the Sale, net of any transaction fees (the "Sale Proceeds"), in the same order of priority and subject to the rights, claims, defenses, and objections, if any, of all parties with respect thereto, subject to any further order of the Court.

Summary of the Proposed Bidding Procedures

19. In order to ensure that the Debtor receives the maximum value for the Purchased Assets, the Stalking Horse Agreement is subject to higher or better offers, and, as such, the Stalking Horse Agreement will serve as the "stalking-horse" bid for the Debtor's assets

A. Provisions Governing Qualifications of Bidders

20. Unless otherwise ordered by the Court, in order to participate in the bidding process prior to the Bid Deadline (defined below), each person other than Prime who wishes to participate in the bidding process (each, a "Potential Bidder") must qualify as a "Qualified Bidder." To qualify as a Qualified Bidder, each Potential Bidder must deliver the following to the Notice Parties (as defined below):

- a. An executed confidentiality agreement in form and substance satisfactory to the Debtor in consultation with any official committee of unsecured creditors appointed in the Chapter 11 Case and MPT; and
- b. A non-binding expression of interest describing the assets to be purchased and consideration therefore that is reasonably acceptable to the Debtor in consultation with any official committee of unsecured creditors appointed in the Chapter 11 Case and MPT.

21. In addition to delivering the documents and information described above, the Debtor, in consultation with their professionals, any official committee appointed in the Chapter 11 Case and MPT, must believe that all Potential Bidders are reasonably likely to be able to obtain necessary regulatory approvals and be able to fund the consummation of their purchase of

the Debtor's assets.

22. As promptly as practicable after a Potential Bidder delivers all of the materials required above and the Debtor determines that the Potential Bidder is reasonably likely to be able to obtain necessary regulatory approvals and be able to fund the consummation of their purchase of the Debtor's assets, the Debtor will notify the Potential Bidder that they are a "Qualified Bidder."

B. Due Diligence

23. The Debtor will afford any Qualified Bidder such due diligence access or additional information as the Debtor, in consultation with its professionals, deems appropriate, in its reasonable discretion, which must include contractual obligations to limit access to certain proprietary information and federal and state laws relating to patient privacy, including the Health Insurance Portability and Accountability Act ("HIPAA"). The Debtor must promptly advise Prime in the event any other Potential Bidder receives diligence that Prime has not previously received, and the Debtor shall promptly provide that diligence to Prime. The due diligence period shall extend through and include the date of the Auction; *provided, however*, that any Qualified Bid (as defined below) submitted shall be irrevocable until one business day following the closing of the Sale to the Successful Bidder.

C. Provisions Governing Qualified Bids

24. A "Qualified Bid" is a bid that is determined by the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, to meet the following requirements:

- a. Asset Purchase Agreement. Each Qualified Bid must be accompanied by an irrevocable and binding copy of an asset purchase agreement in substantially the same form as the Stalking Horse Agreement attached as Exhibit A to the Bid Procedures Motion (each an "Asset Purchase

Agreement”) as determined by the Debtor, in consultation with its professionals, an official committee appointed in the Chapter 11 Case and MPT. The Stalking Horse Agreement will be available in Word format to all Potential Bidders, and shall be marked by each Potential Bidder to show their amendments and modifications. Each Asset Purchase Agreement shall confirm that, if the Potential Bidder’s bid is designated the Backup Bid (as defined below), the bid will remain irrevocable and binding until one business day following the closing of the Sale to the Successful Bidder.

- b. Designation of Assets Purchased and Excluded. Each Qualified Bid must specify the assets on which the Potential Bidder is bidding. Qualified Bids must consist of offers to purchase substantially all of the Debtor’s Assets, including, but not limited to the Hospital, the Business and the Other Businesses (each as defined in the Stalking Horse Agreement). The Debtor’s assets may not be sold in separate lots.
- c. Deposit. By the Bid Deadline (defined below), each Potential Bidder must deliver an earnest money deposit to Debtor’s counsel in the amount of \$50,000 (each, a “Deposit”) in the form of a certified check or wire transfer payable to the trust account of Debtor’s counsel. Each Qualified Bid must include a Deposit, regardless of whether under the terms of the bid the Potential Bidder is making a cash payment or is simply assuming obligations.
- d. Additional Terms. Each Qualified Bid must identify the bidder and: (a) contain documents and information sufficient to establish the bidder’s financial wherewithal and allow the Debtor, in consultation its professionals, any official committee appointed in the Chapter 11 Case and MPT, to make a determination regarding the Potential Bidder’s ability to consummate the transactions contemplated by their Asset Purchase Agreement, including evidence of adequate assurance of such Potential Bidder’s ability to perform under any of the Assumed Contracts and to pay all cure amounts required to assume and assign any such Assumed Contracts; (b) if applicable, provide that the bidder, if successful, will assume the Debtor’s Medicare and Medicaid provider agreements or will obtain its own within a timeframe acceptable to the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT; (c) contain documents and information sufficient to establish that the Potential Bidder is likely to receive all necessary regulatory approvals in a timely manner and provide that the bidder agrees, if selected as the Successful Bidder or the Backup Bidder, to apply for all such regulatory approvals, including, without limitation, a certificate of need, to the extent that the applicable regulatory authorities are prepared to entertain applications from both the Successful Bidder and the Backup Bidder; (d) contain a W-9 form for every entity that

contributes to the Potential Bidder's Deposit; (e) provide that the Potential Bidder's offer is irrevocable for the period set forth in these Bidding Procedures; (f) affirmatively acknowledge that the Potential Bidder (i) had adequate opportunity to conduct due diligence regarding the Debtor's assets prior to making its offer and does not require further due diligence, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Debtor's assets in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Debtor's assets, or the completeness of any information provided in connection therewith; (g) not request or entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment; (h) provide that the Potential Bidder has waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to the submission of its bid or the Bidding Procedures; (i) provide that the Potential Bidder has obtained all necessary organizational approvals to make its bid and to enter into and perform its Asset Purchase Agreement and include evidence of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of its Asset Purchase Agreement; and (j) provide that the Deposit will be forfeited as minimum liquidated damages if the Potential Bidder is selected as the Successful Bidder, of Back-up Bidder if the Successful Bidder does not close the Sale, and fails to close the Sale.

- e. Identity of Bidders. Each Qualified Bid must fully disclose the identity of each entity that will be bidding for the Debtor's assets or otherwise participating in connection with such bid, including the names and addresses of any members or individuals with an interest in the entity, and the complete terms of any such participation, as well as the organization form and the business conducted by each entity. Each Qualified Bidder (defined below) shall be required to provide such additional information as the Debtor, in consultation its professionals, any official committee appointed in the Chapter 11 Case and MPT, may reasonably require regarding the ability to satisfy the requirements of the applicable regulatory authorities.

- f. Contingencies. A Qualifying Bid must not be conditioned on obtaining financing, any internal approval, or the outcome or review of due diligence, or contain any environmental or other contingencies not otherwise expressly contained in the Stalking Horse Agreement. A Qualifying Bid may be subject to the accuracy in all material respects at the closing of specified representations and warranties or the satisfaction in all material respects at the closing of specified conditions, none of

which shall be more burdensome than those set forth in the Stalking Horse Agreement.

- g. Timing. All Qualified Bids must be received before the Bid Deadline (as defined below), unless the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, determines otherwise.
- h. Other Information. All Qualified Bids must contain such other information reasonably requested by the Debtor.

25. A “Qualified Bidder” is a Potential Bidder that delivers a Qualified Bid, and that the Debtor, in consultation with its professionals, an official committee appointed in the Chapter 11 Case and MPT, determines is reasonably likely to submit a *bona fide* offer and to be able to consummate a sale if selected as the Successful Bidder or Back-up Bidder.

26. Notwithstanding the foregoing but subject in all respects to the Stalking Horse Agreement, Prime is a Qualified Bidder and the Stalking Horse Agreement constitutes a Qualified Bid.

27. The Debtor shall notify Prime and all Qualified Bidders in writing as to whether or not any bids constitute Qualified Bids (and, with respect to each Qualified Bidder that submitted a bid other than Prime, whether such Qualified Bidder’s bid constitutes a Qualified Bid) promptly after and in any event on the same day as, the determination by the Debtor regarding whether any bid constitutes a Qualified Bid; *provided, however*, that such notification shall not be given later than one (1) business day following the expiration of the Bid Deadline (defined below).

D. Bid Deadline.

28. A Qualified Bidder that desires to make a bid will deliver written copies of its bid to the following parties (collectively, the “Notice Parties”): (i) counsel to the Debtor, Bingham Greenebaum Doll LLP, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204,

Attn: Thomas Scherer and Whitney Mosby, and Bingham Greenebaum Doll LLP, 3500 National City Tower, 101 South Fifth Street, Louisville, KY 40202, Attn: James R. Irving; (ii) counsel to any official committee appointed in the Chapter 11 Case; (iii) counsel to MPT, Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, 420 North 20th Street, 1400 Wells Fargo Tower, Birmingham, AL 35203, Attn: Timothy M. Lupinacci, and Taft, Stettinius & Hollister LLP, One Indiana Square, Suite 3500, Indianapolis, IN 46204, Attn: John R. Humphrey; and (iv) counsel to Prime, Shulman, Hodges & Bastian LLP, 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, Attn: Mark E. Bradshaw, so as to be received by the Debtor not later than Monday, October 6, 2014 at 5:00 p.m. (Eastern) (the “Bid Deadline”). The Debtor, in consultation with its professionals, an official committee appointed in the Chapter 11 Case and MPT, may extend the Bid Deadline without further order of the Court.

E. Evaluation of Competing Bids

29. A Qualified Bid will be valued based upon several factors including, without limitation, (1) the amount of such bid, (2) the risks and timing associated with consummating such bid, (3) any proposed revisions to the Stalking Horse Agreement, (4) the continued medical care provided to the Hospital’s patients, (5) the continued employment of the Debtor’s employees, and (6) any other factors deemed relevant by the Debtor in its reasonable discretion.

F. No Qualified Bids Other Than Prime’s Bid

30. If the Debtor does not receive any Qualified Bid other than Prime’s bid, the Debtor will not conduct the Auction and Prime will be named the Successful Bidder on the Bid Deadline.

G. Auction Process

31. If the Debtor received one or more Qualified Bids in addition to Prime's bid, the Debtor will conduct the Auction, which shall be conducted on October 8, 2014 at 10:00 a.m. (Eastern) at the offices of Bingham Greenebaum Doll, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204, or at such other place, date and time as may be designated by the Debtor. All Qualified Bidders who wish to attend the Auction shall inform the Debtor's counsel by at least 4:00 p.m. (Eastern) on October 7, 2014.

32. The Auction shall be governed by the following procedures, which are subject to modification by the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, as the Debtor deems necessary to better promote the goals of the Auction and to comply with its fiduciary obligations:

- a. Participation at Auction. Attendance at the Auction shall be limited to the Debtor, any official committee appointed in the Chapter 11 Case, MPT, the U.S. Trustee, representatives of the United States Department of Health and Human Services, the Qualified Bidders (or their duly authorized representatives), the legal and financial advisers to each of the foregoing, and any other party the Debtor may invite to attend.
- b. No Collusion. Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the proposed Sale.
- c. Conduct of the Auction. The Debtor and its professionals shall direct and preside over the Auction. Other than as set forth herein, the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, may conduct the Auction in the manner they determine will result in the highest, best or otherwise financially superior offer for the Debtor's assets.
- d. Bidding Rounds. In the event that the Debtor receives one or more Qualified Bids prior to the Auction that in the Debtor's sole determination qualifies as the highest and best bid prior to the Auction (the "Opening Bid"), the Debtor shall notify all of the Qualified Bidders, including Prime, of the terms of such Opening Bid and provide them with a redlined copy of the Asset Purchase Agreement containing the Opening Bid with the Stalking Horse Agreement. Bidding at the Auction shall begin with the Opening Bid.
- e. Subsequent Bids and Bid Increments. At the Auction, after announcing the terms of the Opening Bid, the Debtor shall invite all of the Qualified Bidders attending

the auction to improve their bids at the Auction in increments of not less than \$200,000 (which shall consider either compensation paid by the Qualified Bidders or debt assumed by the Qualified Bidders). The Auction shall continue with subsequent rounds of bidding and, after each round, the Debtor shall announce the "Leading Bid." The bidding shall be continuous and competitive and shall not end until all of the Qualified Bidders attending the Auction have submitted their last and best offers.

- f. Transcript. The Debtor shall maintain a transcript of all Bids made and announced at the Auction, including the Opening Bid, each Leading Bid, each subsequent bid, and the Successful Bid.

H. Selection of the Successful Bid

33. Prior to the conclusion of the Auction, the Debtors, in consultation with their professionals, any official committee appointed in the Chapter 11 Case and MPT, will review and evaluate each Qualified Bid in accordance with the procedures set forth herein and determine which offer is the highest or otherwise best offer from among the Qualified Bidders (including Prime) submitted at the Auction (one or more such bids, collectively the "Successful Bid" and the bidder(s) making such bid, collectively, the "Successful Bidder"), and communicate to Prime and the other Qualified Bidders the identity of the Successful Bidder and the details of the Successful Bid. The determination of the Successful Bid by the Debtor at the conclusion of the Auction shall be final, subject only to approval by the Court.

34. Within two (2) business days after adjournment of the Auction, the Successful Bidder shall complete and execute all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid was made. Within two (2) business days after adjournment of the Auction, the Debtor shall file a notice identifying the Successful Bidder with the Court.

35. The Debtor will sell the Purchased Assets to the Successful bidder pursuant to the terms of the Successful Bid upon approval of such Successful Bid by the Court at the Sale Hearing.

I. Return of Deposits

36. All good faith deposits shall be returned to each bidder not selected by the Debtor as the Successful Bidder or the Back-up Bidder (as defined below) no later than five (5) business days following the conclusion of the Auction.

37. If an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Qualified Bid, as determined by the Debtor in the exercise of its business judgment, at the Auction shall be required to serve as a back-up bidder (the "Back-up Bidder") and keep such bid open and irrevocable until one day after the Sale to the Successful Bidder closes. If the Sale to the Successful Bidder does not close the Sale by December 31, 2014, the Back-up Bidder will be deemed the new Successful Bidder and the Debtor will be authorized, but not required, to consummate the sale with the Back-up Bidder without further order of the Bankruptcy Court.

J. Sale Hearing

38. The Debtor will seek entry of an order from the Court at the Sale Hearing to begin on or before October 17, 2014, to approve and authorize the Sale to the Successful Bidder on terms and conditions determined in accordance with the Bid Procedures.

Notice of Sale Hearing

39. As stated above, the Debtor requests that this Court schedule the Sale Hearing for October 17, 2014. The Debtor proposes that any objections to the Sale be filed by 4:00 p.m. (Eastern) on October 13, 2014.

40. The Debtor also requests that the Court approve the Procedures Notice, substantially in the form attached hereto as Exhibit C hereto. The Debtor will serve a copy of the Procedures Notice on the following parties: (a) the U.S. Trustee, (b) any official committee appointed in the Chapter 11 Case, (c) any parties requesting notices in the Chapter 11 Case pursuant to Bankruptcy Rule 2002, (d) all known creditors of the Debtor, (e) counsel to Prime, and (f) all Potential Bidders (collectively, with the other parties identified in this paragraph, the "Procedures Notice Parties").

41. The Debtor proposes to serve the Procedures Notice within two (2) business days following entry of the Bidding Procedures Order, by first-class mail, postage prepaid on the Procedures Notice Parties. The Procedures Notice provides that any party that has not received a copy of the Bid Procedures Motion, the Sale Motion or the Bidding Procedures Order, including all exhibits thereto, may make such a request in writing to Monroe Hospital Claims Processing, c/o UpShot Services, LLC, 7808 Cherry Creek South Drive, Suite 112, Denver, CO 80231, by calling the toll-free number: (855) 812-6112, or by visiting <http://www.upshotservices.com/monroehospital>.

42. The Debtor submits that the foregoing notices comply fully with Bankruptcy Rule 2002 and are reasonably calculated to provide timely and adequate notice of the Bidding Procedures, Auction and Sale, and Sale Hearing to the Debtor's creditors and other parties in interest as well as to those who have expressed an interest or are likely to express an interest in bidding on the Debtor's assets. Based on the foregoing, the Debtor respectfully requests that this Court approve these proposed notice procedures.

Sale Hearing

43. At the Sale Hearing, the Debtor will seek Court approval of the Sale to the Successful bidder, free and clear of all liens, claims and encumbrances under section 363 of the Bankruptcy Code, with all liens, claims and encumbrances to attach to the proceeds of the sale with the same validity and in the same order of priority as they attached to the Purchased Assets prior to the Sale, including the assumption by the Debtor and assignment to the Successful Bidder of the assumed Contracts and Leases under section 365 of the Bankruptcy Code. The Debtor will submit and present additional evidence, as necessary, at the Sale Hearing demonstrating that the Sale is fair, reasonable and in the best interest of the Debtor's bankruptcy estate and all interested parties.

Procedures for the Assumption and Assignment of Assumed Contracts and Leases

44. As noted above, the Debtor will seek to assume and assign certain Contracts and Leases to be identified on schedules to the Stalking Horse Agreement other than those agreements excluded by the Successful Bidder pursuant to such bidder's Asset Purchase Agreement (collectively, the "Assumed Executory Contracts").

45. At least initially, the Assumed Executory Contracts will be those Contracts and Leases that the Debtor believes may be assumed and assigned as part of the orderly transfer of the Purchased Assets. The Successful Bidder may choose to exclude (or to add) certain Contracts or Leases to the list of Assumed Executory Contracts, subject to further notice.

46. In the interim, the Debtor will serve the Bid Procedures Motion, the Sale Motion and the Cure Notice, substantially in the form of Exhibit D hereto, upon each counterparty to the Assumed Executory Contracts by no later than five (5) days following entry of the Bid Procedures Order. The Cure Notice will state the date, time and place of the Sale Hearing as well as the date by which any objection to the assumption and assignment of Assumed Executory

Contracts must be filed and served. The Cure Notice also will identify the amounts, if any, that the Debtor believes are owed to each counterparty to an Assumed Executory Contract in order to cure any defaults that exist under such contract (the "Cure Amounts"). If a Contract or Lease is assumed and assigned pursuant to Court order, then unless the Assumed Executory Contract counterparty properly files and serves an objection to the Cure Amount contained in the Cure Notice, the Assumed Executory Contract counterparty will receive at the time of the Closing of the sale (or as soon as reasonably practicable thereafter), the Cure Amount as set forth in the Cure Notice, if any, with payment to be made pursuant to the terms of the Successful Bidder's Asset Purchase Agreement. If an objection is filed by a counterparty to an Assumed Executory Contract, the Debtor proposes that such objection must set forth a specific default in any executory contract or unexpired lease and claim a specific monetary amount that differs from the amount, if any, specified by the Debtor in the Cure Notice. To the extent that there is a contract to be assumed pursuant to the Successful Bidder's Asset Purchase Agreement, this Bid Procedures Motion and the Sale Motion constitute a separate motions to assume and assign that contract to the Successful Bidder pursuant to section 365 of the Bankruptcy Code; each such contract will be listed on an exhibit to the Successful Bidder's Asset Purchase Agreement, and will be given a separate Cure Notice.

47. If any counterparty objects for any reason to the assumption and assignment of an Assumed Executory Contract (a "Cure Amount Objection"), the Debtor proposes that the counterparty must file the objection by no later than (i) 4:00 p.m. (Eastern) on October 13, 2014 or (ii) the date otherwise specified in the Cure Notice (or, alternatively, the date set forth in the motion to assume such Assumed Executory Contract if such contract is to be assumed and assigned after the Auction), *provided, however*, that any counterparty may raise at the Sale

Hearing an objection to the assumption and assignment of the Assumed Executory Contract solely with respect to the Successful Bidder's ability to provide adequate assurance of future performance under the Assumed Executory Contract. After receipt of a Cure Amount Objection, the Debtor will attempt to reconcile any differences in the Cure Amount. In the event that the Debtor and the non-debtor party cannot resolve the Cure Amount Objection, and the Court does not otherwise make a determination at the Sale Hearing, the Debtor may, in its discretion, segregate any disputed Cure Amounts pending the resolution of any such disputes by the Court or by mutual agreement of the parties.

48. The Successful Bidder shall be responsible for satisfying any requirements regarding adequate assurance of future performance that may be imposed under section 365(b) of the Bankruptcy Code in connection with the proposed assignment of any Assumed Executory Contract, and the failure to provide adequate assurance of future performance to any counterparty to any Assumed Executory Contract shall not excuse the Successful Bidder from performance of any and all of its obligations pursuant to the Successful Bidder's Asset Purchase Agreement. The Debtor proposes that the Court make its determinations concerning adequate assurance of future performance under the Assumed Executory Contracts under section 365(b) of the Bankruptcy Code at the Sale Hearing. Cure Amounts disputed by any counterparty will be resolved by the Court at the Sale Hearing or such later date as may be agreed to or ordered by the Court.

49. Except to the extent otherwise provided in the Successful Bidder's Asset Purchase Agreement, the Debtor and the Debtor's bankruptcy estate shall be relieved of all liability accruing or arising after the assumption and assignment of the Assumed Executory Contracts under section 365(k) of the Bankruptcy Code.

Applicable Authority

B. The Bidding Procedures Are Appropriate and Will Maximize the Value Received for the Purchased Assets.

50. As noted above, the paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy sales. *See, e.g., In re Fin'l News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“Court-imposed rules for the disposition of assets ... [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates”).

51. Procedures to dispose of assets, similar to the proposed Bidding Procedures, have been approved by this Court in other chapter 11 cases. *See, e.g., Elksheart Realty, LLC*, Case No. 13-3661-JMC-11 (Bankr. S.D. Ind. Nov. 27, 2013); *Indiana Steel and Tube, Inc.*, Case No. 12-91512-BHL-11 (Bankr. S.D. Ind. Oct. 31, 2012).

52. The Debtor believes that the Bidding Procedures will establish the parameters under which the value of the Purchased Assets may be tested at an auction and through the ensuing Sale Hearing. Such procedures will increase the likelihood that the Debtor’s creditors will receive the greatest possible consideration for their assets because they will ensure a competitive and fair bidding process. They also allow the Debtor to undertake an auction in as expeditious and efficient manner as possible, which the Debtor believes is essential to maximizing the value of the Debtor’s bankruptcy estate. In particular, MPT has informed the Debtor that it will only authorize the Debtor’s use of cash collateral and postpetition financing through the end of the year and with a maximum budget of \$4,000,000. Given these financial restraints, if the Debtor does not conduct an expeditious sale of its assets with a contemplated

closing date well before the end of 2014, it is likely that MPT will cut off the Debtor's funding. If this were to happen the Debtor would be forced to cease operations, lay off employees, direct its patients to other healthcare providers and convert or dismiss the Chapter 11 Case, resulting in the Debtor's creditors receiving dramatically smaller recoveries.

53. The Debtor also believes that the proposed Bidding Procedures will promote active bidding from seriously interested parties and will dispel any doubt as to the best and highest offer reasonably available for the Debtor's assets. In particular, the proposed Bidding Procedures will allow the Debtor to conduct the Auction in a controlled, fair and open fashion that will encourage participation by financially capable bidders who demonstrate the ability to close a transaction.

54. In sum, the Debtor believes that the Bidding Procedures will encourage bidding for the Purchased Assets and are consistent with the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings. Accordingly, the proposed Bidding Procedures are reasonable, appropriate and within the Debtor's sound business judgment.

C. Although the Purchased Assets Include Personally Identifiable Information, the Appointment of a Consumer Ombudsman is Not Necessary.

55. Section 363(1) of the Bankruptcy Code provides that:

The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate, except that if the debtor in connection with offering a product or a service discloses to an individual a policy prohibiting the transfer of personally identifiable information about individuals to persons that are not affiliated with the debtor and if such policy is in effect on the date of the commencement of the case, then the trustee may not sell or lease personally identifiable information to any person unless—

(A) such sale or such lease is consistent with such policy; or

(B) after appointment of a consumer privacy ombudsman in accordance with

section 332, and after notice and a hearing, the court approves such sale or such lease—

(i) giving due consideration to the facts, circumstances, and conditions of such sale or such lease; and

(ii) finding that no showing was made that such sale or such lease would violate applicable nonbankruptcy law.

11 U.S.C. § 363(b)(1). Courts have consistently held that to the extent that a party purchases assets under section 363 of the Bankruptcy Code and those assets include “personally identifiable information,” appointment of a consumer ombudsman is not necessary so long as the party agrees to abide by the terms of the debtor’s privacy policy. *See, e.g., In re THQ Inc.*, Chapter 11 Case No. 12-13398 (MFW), 2013 Bankr. LEXIS 770, *42 (Bankr. D. Del. Jan. 24, 2013); *In re Movie Galley, Inc.*, Chapter 11 Case No. 10-30696 (DOT), 2010 Bankr. LEXIS 5823, *5-6 (Bankr. E.D. Va. Nov. 17, 2010); *In re The Reader’s Digest Assoc., Inc.*, Chapter 11 Case No. 09-23529 (RDD), 2010 Bankr. LEXIS 5682, *17 (Bankr. S.D.N.Y. Jan. 14, 2010) (ombudsman not necessary where buyer maintains debtor’s data policy and mails notice to customers affected); *In re Escada (USA) Inc.*, Chapter 11 Case No. 09-15008, 2010 Bankr. LEXIS 4362, *11 (Bankr. S.D.N.Y. Jan. 7, 2010); (“No consumer privacy ombudsman need be appointed under section 363(b)(1) of the Bankruptcy Code because the Purchaser agrees to become the Debtor’s successor-in-interest as to the customer information and to use the customer information only in accordance with the privacy policy of the Debtor.”); *In re Velocity Express Corp.*, Chapter 11 Case No. 09-13294 (MFW), 2009 Bankr. LEXIS 4566, *25 (Bankr. D. Del. Nov. 3, 2009) (same).

56. Here, the Debtor has a privacy policy in place as of the Petition Date, a copy of which is attached hereto as Exhibit E. Although the privacy policy places limitations on the Debtor’s use of its patients’ personal information it also provides exceptions, including that the

Debtor may share such information through contracts with business associates. Further, the policy provides that “[the Debtor] reserve[s] the right to change this notice. [The Debtor] reserve[s] the right to make the revised changed notice effective for medical information we already have about you as well as any information we receive in the future.” The policy provides that “a sale of protected health information will be made only with your written permission.”

57. 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 any Asset Purchase Agreement, including the Stalking Horse Agreement, must be that the buyer 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. Accordingly, the appointment of a consumer ombudsman is not necessary. *Id.* In fact, to the extent that Prime becomes the Successful Bidder, Prime already has access to the “personally identifiable information” under the Management Agreement and the provision of the Debtor’s privacy policy which permits the Debtor to share information with “business associates.”

58. Although the privacy policy requires “written permission” for “a sale of protected health information,” the Sale is not simply the sale of the information to a third-party who will solicit the patients, but is instead a transfer of the Hospital to new ownership. In this situation each patient should not be required to provide their “written permission” before the Hospital is sold.

59. Finally, given the Debtor’s limited financial resources and the small number of patients at the Hospital, the average daily census is 8 patients, a consumer ombudsman should not be required here. The expense of hiring yet another professional will further strain the

Debtor's bankruptcy estate's resources and could even impede the Sale, thereby jeopardizing the Debtor's restructuring efforts.

E. The Proposed Notice of Bidding Procedures and Auction is Appropriate.

60. The Debtor believes that it will obtain the maximum recovery for creditors of the Debtor's bankruptcy estate if the Purchased Assets of the Debtor are sold through a well-advertised sale and auction. The Debtor has already taken significant steps to identify potential purchasers.

61. Under Bankruptcy Rules 2002(a) and (c), the Debtor is required to notify creditors of the proposed sale of the Debtor's assets, including a disclosure of the time and place of an auction, the terms and conditions of a sale, and the deadline for filing any objections. The Debtor submits that the notice procedures herein comply fully with Bankruptcy Rule 2002 and are reasonably calculated to provide timely and adequate notice of the sale by auction to the Debtor's creditors and other interested parties, as well as to those parties who have expressed an interest, or may express an interest, in bidding on the Purchased Assets. The proposed time frame between the filing of this Bid Procedures Motion, the commencement of the bidding process and the Auction should provide interested purchasers ample time to participate in the Auction.

62. Given the large creditor matrix, the cost of serving the entire matrix with the Bid Procedures Motion, the Sale Motion and the exhibits thereto, and the availability of all of the documents filed in the Chapter 11 Case on the Debtor's claims agents website, the Court should conclude that the Procedures Notice need not contain a recitation of all of the categories of information contained in Local Rule B-6004-1, and that any notice of the Successful Bidder also need not contain such information. Both the Procedures Notice and any notice of successful

bidder must contain contact information for UpShot Services, LLC so that the Debtor's creditors and interested parties in the Chapter 11 Case may obtain copies of this Bid Procedures Motion and the Exhibits thereto.

Compliance with Local Rules

63. The Debtor believes that the Bid Procedures Motion and the Procedures Notice generally comply with Local Rule B-6004-1 as applicable.

Notice

64. Notice of this Bid Procedures Motion shall be provided to: (i) the U.S. Trustee; (ii) the Debtor's thirty largest creditors; (iii) counsel to MPT; (iv) counsel to Prime; and (v) all other parties on the "Service List" required to receive notice of a first day pleading under Local Rules B-1000-1(b)(4) and B-9013-3(d). The Debtor submits that no other notice need be given.

[remainder of page intentionally left blank]

WHEREFORE, the Debtor respectfully requests that the Court enter an order: (i) granting the Bid Procedures Motion, (ii) approving the Bid Procedures in connection with the Sale; (iii) scheduling the Auction and the Sale Hearing; (iv) approving the Assumption Procedures; (v) approving the form and manner of notice thereof; and (vi) granting such other and further relief as the Court deems just an proper.

Dated: August 22, 2014

Respectfully submitted,

/s/ James R. Irving
Thomas C. Scherer
Whitney Mosby
Bingham Greenebaum Doll LLP
2700 Market Tower
10 West Market Street
Indianapolis, Indiana 46204
Telephone: (859) 233-2012
Facsimile: (859) 259-0649
E-mail: tscherer@bgdlegal.com
wmosby@bgdlegal.com

-and-

James R. Irving
Bingham Greenebaum Doll LLP
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202
Telephone: (502) 587-3606
Facsimile: (502) 540-2215
E-mail: jirving@bgdlegal.com

*Proposed counsel to the debtor, Monroe Hospital,
LLC*

EXHIBIT A

(Stalking Horse Agreement)

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

MONROE HOSPITAL, LLC

(AS SELLER)

AND

PRIME HEALTHCARE SERVICES - MONROE, LLC

(AS PURCHASER)

Dated as of August __, 2014

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS.....	1
1.1 Certain Definitions.....	1
1.2 Other Definitional and Interpretive Matters	10
ARTICLE II PURCHASE AND SALE OF ASSETS	11
2.1 Sale of Assets.....	11
2.2 Purchase of Assets	12
2.3 Excluded Liabilities	12
2.4 Excluded Assets.....	12
2.5 Nonassignable Assets.....	12
2.6 Method of Conveyance.....	13
2.7 Assumed Contracts	13
2.8 Assumption of Liabilities.....	13
2.9 Taxes and Assessments.....	15
2.10 Bid Procedures	15
2.11 [intentionally blank].....	15
2.12 Purchase Price.....	16
2.13 Order of the Bankruptcy Court	17
2.14 Closing.....	17
2.15 Medicare and Medicaid Provider Agreements	17
2.16 Closing Payments.....	17
2.17 Closing Deliveries of Seller	18
2.18 Closing Deliveries of Purchaser.....	18
2.19 [intentionally blank].....	19
2.20 Further Conveyances and Assumptions.....	19
ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER.....	20
3.1 Corporate Existence and Power of Seller	20
3.2 Validity and Enforceability of Agreement.....	20
3.3 Consents; Waivers and Approvals.....	20
3.4 No Conflict.....	20
3.5 Rights to Acquire Assets.....	21

TABLE OF CONTENTS
(continued)

	Page
3.6 Title to and Adequacy of the Assets	21
3.7 Government Reimbursement Participation; Health Care Law Compliance	21
3.8 Existing Medicare and Medicaid Provider Agreements	22
3.9 Subsidiaries	22
3.10 [intentionally blank]	22
3.11 Hill Burton	22
3.12 Medical Staff	22
3.13 Labor Relations	23
3.14 Compliance with Laws; Permits	23
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER	23
4.1 Corporate Existence of Purchaser	23
4.2 Validity and Enforceability of Agreement	24
4.3 Authorization and Authority	24
4.4 No Conflict	24
4.5 Available Funds	24
4.6 Solvency	24
4.7 Litigation and Arbitration	24
4.8 Brokers and Intermediaries	25
ARTICLE V CERTAIN COVENANTS AND AGREEMENTS OF SELLER AND PURCHASER	25
5.1 Access and Information	25
5.2 Authorizations	27
5.3 Conduct of Business	27
5.4 Commercially Reasonable Efforts	29
5.5 [Intentionally blank]	29
5.6 [Intentionally blank]	29
5.7 Tax Matters	29
5.8 Announcement	30
5.9 Post-Closing Business Operations Commitment	30
5.10 Risk of Loss; Casualty Loss	30

TABLE OF CONTENTS
(continued)

	Page
5.11 Bankruptcy Actions	31
5.12 Service of Notice.....	31
5.13 DISCLAIMERS.....	31
5.14 Further Assurances.....	32
5.15 Confidentiality	32
5.16 Acceptance and Discharge.....	34
5.17 Cooperation.....	34
5.18 Surrender of License.....	34
5.19 Removal of Certain Liens	34
5.20 Insurance	34
5.21 Cost Reports.....	34
ARTICLE VI CONDITIONS TO PURCHASER’S AND SELLER’S OBLIGATIONS.....	34
6.1 Entry of the Sale Order	34
6.2 No Injunctions.....	35
6.3 Compliance with Applicable Law	35
6.4 Consents.....	35
6.5 Joinder to Master Lease	35
ARTICLE VII CONDITIONS TO PURCHASER’S OBLIGATIONS.....	35
7.1 Representations and Warranties of Seller	36
7.2 Schedules	36
7.3 Documents	36
7.4 Performance of Obligations	36
7.5 No Changes to Business.....	36
7.6 Intentionally Deleted.....	36
7.7 Release of Liens.....	36
7.8 Consents.....	36
7.9 City Owned Property	36
7.10 FIRPTA Affidavit	37
ARTICLE VIII CONDITIONS TO SELLER’S OBLIGATIONS.....	37

TABLE OF CONTENTS
(continued)

	Page
8.1 Representations and Warranties of Purchaser.....	37
8.2 Performance of this Agreement	37
8.3 Payment of Purchase Price and Assumption of Liabilities and Assumed Contracts	37
8.4 Documents	37
ARTICLE IX SURVIVAL	37
9.1 Survival	37
ARTICLE X LIMITED AGREEMENT TERMINATION RIGHTS	38
10.1 Termination of Agreement.....	38
10.2 Procedure for Termination.....	38
10.3 Effects of Termination	39
ARTICLE XI MISCELLANEOUS	39
11.1 Assignment; Binding Agreement.....	39
11.2 Post-Closing Cooperation	39
11.3 Expenses	40
11.4 Entire Agreement and Modification	40
11.5 Severability	40
11.6 Waiver.....	40
11.7 Counterparts.....	40
11.8 Headings; Interpretation.....	41
11.9 Governing Law	41
11.10 Bankruptcy Court Jurisdiction	41
11.11 Notices	41
11.12 Effectiveness	42

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made as of the ___ day of August __, 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, 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, and operates the Other Businesses;

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 attached hereto as Exhibit A.

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

“Back-Up Bidder” has the meaning ascribed to it in the Bid Procedures attached hereto as Exhibit A.

“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 set forth in Exhibit A.

“Bid Procedures Order” means an Order reasonably satisfactory to Seller, the Committee, 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 _____ docket no. _____ 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, and the Other Businesses.

“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.

“Claims” 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 _____, 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.

“Committee” means the Official Committee of Unsecured Creditors appointed in the Bankruptcy Case.

“Committee Parties” means the Committee, the Committee’s successors, any estate representative, any liquidating trust relating to the Seller and each of their respective professionals.

“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.

“DIP Lender” means MPT Development Services, Inc.

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

“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 I 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.

“FIRPTA” means the Foreign Investment in Real Property Tax Act.

“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.

“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.

“Other Businesses” means the outpatient, ancillary, and other healthcare businesses incident to the operation of the Hospital set forth in Schedule 3 attached hereto.

“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.

“Privileged Materials” means any materials that are protected by or the subject of a Privilege.

“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 owned or 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 _____ docket no. ___ 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).

“Successful Bid” has the meaning ascribed to it in the Bid Procedures attached hereto as Exhibit A.

“Successful Bidder” has the meaning ascribed to it in the Bid Procedures attached hereto as Exhibit 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), 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 draftsperson) 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.

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, leaving Seller as a holdover, month-to-month tenant at will.

(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: (a) an affidavit of Seller, which shall be to Seller's Knowledge, issued to Purchaser and to the Title Company (if Purchaser elects, at Purchaser's sole cost and expense, to obtain title insurance), substantially in the form of Exhibit B ("Seller's Affidavit"), if necessary; and (c) 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.

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"). Purchaser shall have the right to amend or modify Schedule 2.7 by providing notice to Seller no later than ten (10) days before the auction date provided for in the Bid Procedures Order. 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 current Liabilities of Seller as of the Closing Date.

(d) 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) have been 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) have been or will be loaned by DIP Lender to Seller pursuant and subject to the terms of that certain Debtor-In-Possession Loan Agreement dated _____, 2014 (the "DIP Loan Agreement").

(e) 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.

(f) Purchaser shall, subject to the limitations set forth below, 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.

(g) Notwithstanding anything to the contrary in this Agreement, (i) Purchaser shall consult with Seller, MPT and the Committee 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, MPT and the Committee 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, MPT and the Committee to object to such terms are expressly preserved and reserved. In addition, the rights of MPT and the Committee to object to any assumption of Assumed Contracts is expressly preserved and reserved as to any assumption that either MPT or the Committee 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.

(h) Purchaser shall, at Purchaser's sole cost, (i) negotiate the amount of all Cure Payments 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.

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 prepared and delivered at Closing. 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.

2.10 Bid Procedures. The obligations of Purchaser and Seller hereunder are subject to the terms and provisions of the Bid Procedures, provided that in the event of a conflict between

the Bid Procedures Order and this Agreement, the terms and conditions of the Bid Procedures Order shall govern and control. Seller reserves the right to obtain a higher or better bid for the Assets pursuant to the Bid Procedures.

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 seek to have assigned to Purchaser all current and valid provider contracts of Sellers with the Medicare and Medicaid programs, including, without limitation, the Provider Agreements, subject to the government's approval of Seller's assignment and Purchaser's assumption thereof. Seller shall provide Purchaser with information and other assistance as may be reasonably requested by Purchaser with respect to its request to assume the Provider Agreements.

2.16 **Closing Payments.** No later than three (3) 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.

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;

(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 each officer of Seller executing this Agreement and any other documents required under this Agreement;

(d) a certified copy of the final, non-appealable 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 an 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) a duly executed Seller's Affidavit in a form acceptable to the Title Company;

(g) a duly executed FIRPTA Affidavit; and

(h) 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 and the transfer, if any, of the Provider Agreements, 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 and the amount of Seller’s equity interest in such entity.

3.10 [intentionally blank].

3.11 **Hill Burton.** Seller has not received any loans, grants or loan guarantees pursuant to, or currently has 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 if Purchaser is not organized in Indiana, 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 the Committee Parties (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, MPT and the Committee 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 personalty;

(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 or the Hospital's owned Real Property), 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 Bid Procedures Order, the Sale Motion, the proposed Sale Order 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 they 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. Purchaser 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. Purchaser 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 in form and substance reasonably satisfactory to the Parties, MPT and the Committee (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). In addition, unless waived by Purchaser in writing in its sole discretion, the Sale Order shall have become a final, non-appealable order.

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 will lease the Property from Landlord on the Closing Date 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. 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 that certain Prospective Joinder Agreement, dated of even date herewith, by and among the Purchaser, Prime and MPT.

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 **FIRPTA Affidavit.** Seller shall deliver to Purchaser a non-foreign affidavit dated as of the Closing Date and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code so that Purchaser is exempt from withholding any portion of the Purchase Price thereunder (the "FIRPTA Affidavit").

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, **Error! Reference source not found.**, 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 _____, 2014, subject to Seller's right to extend the date of Closing as provided in the definition of Closing Date; or

(h) by Seller or Purchaser if Purchaser is not selected as the Successful Bidder.

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@shbllp.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	List of Other Businesses
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	Bid Procedures
Exhibit B	Form of Seller's Affidavit
Exhibit C	Form of Bill of Sale and Assignments

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;

(c) all insurance policies and all 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;

(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; and

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

SCHEDULE 2

Part 1

Selected Senior Managers of the Business

- Joseph Roache, 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 3
OTHER BUSINESSES**

NAME AND ADDRESSES	TAXPAYER AND NUMBER	NATURE OF BUSINESS

SCHEDULE 4

SCHEDULE 5

Permitted Encumbrances

SCHEDULE 6
Real Property

Address	Block	Lot

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 B

(Bidding Procedures)

Summary of the Proposed Bidding Procedures¹

1. In order to ensure that the Debtor receives the maximum value for the Purchased Assets, the Stalking Horse Agreement is subject to higher or better offers, and, as such, the Stalking Horse Agreement will serve as the “stalking-horse” bid for the Debtor’s assets

A. Provisions Governing Qualifications of Bidders

2. Unless otherwise ordered by the Court, in order to participate in the bidding process prior to the Bid Deadline, each Potential Bidder must qualify as a “Qualified Bidder.” To qualify as a Qualified Bidder, each Potential Bidder must deliver the following to the Notice Parties:

- a. An executed confidentiality agreement in form and substance satisfactory to the Debtor in consultation with the Committee and MPT; and
- b. A non-binding expression of interest describing the assets to be purchased and consideration therefore that is reasonably acceptable to the Debtor in consultation with any official committee of unsecured creditors appointed in the Chapter 11 Case and MPT.

3. In addition to delivering the documents and information described above, the Debtor, in consultation with their professionals, any official committee appointed in the Chapter 11 Case and MPT, must believe that all Potential Bidders are reasonably likely to be able to obtain necessary regulatory approvals and be able to fund the consummation of their purchase of the Debtor’s assets.

4. As promptly as practicable after a Potential Bidder delivers all of the materials

¹ Capitalized terms used herein and not otherwise defined shall have the meanings given to them in 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 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; and (II)(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* (the “Motion”).

required above and the Debtor determines that the Potential Bidder is reasonably likely to be able to obtain necessary regulatory approvals and be able to fund the consummation of their purchase of the Debtor's assets, the Debtor will notify the Potential Bidder that they are a "Qualified Bidder."

B. Due Diligence

5. The Debtor will afford any Qualified Bidder such due diligence access or additional information as the Debtor, in consultation with its professionals, deems appropriate, in its reasonable discretion, which must include contractual obligations to limit access to certain proprietary information and federal and state laws relating to patient privacy, including HIPAA. The Debtor must promptly advise Prime in the event any other Potential Bidder receives diligence that Prime has not previously received, and the Debtor shall promptly provide that diligence to Prime. The due diligence period shall extend through and include the date of the Auction; *provided, however*, that any Qualified Bid (as defined below) submitted shall be irrevocable until one business day following the closing of the Sale to the Successful Bidder.

C. Provisions Governing Qualified Bids

6. A "Qualified Bid" is a bid that is determined by the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, to meet the following requirements:

- a. Asset Purchase Agreement. Each Qualified Bid must be accompanied by an irrevocable and binding copy Asset Purchase Agreement as determined by the Debtor, in consultation with its professionals, an official committee appointed in the Chapter 11 Case and MPT. The Stalking Horse Agreement will be available in Word format to all Potential Bidders, and shall be marked by each Potential Bidder to show their amendments and modifications. Each Asset Purchase Agreement shall confirm that, if the Potential Bidder's bid is designated the Backup Bid, the bid will remain irrevocable and binding until one business day following the closing of the Sale to the Successful Bidder.

- b. Designation of Assets Purchased and Excluded. Each Qualified Bid must specify the assets on which the Potential Bidder is bidding. Qualified Bids must consist of offers to purchase substantially all of the Debtor's Assets, including, but not limited to the Hospital, the Business and the Other Businesses (each as defined in the Stalking Horse Agreement). The Debtor's assets may not be sold in separate lots.
- c. Deposit. By the Bid Deadline, each Potential Bidder must deliver an earnest money Deposit to Debtor's counsel in the amount of \$50,000 in the form of a certified check or wire transfer payable to the trust account of Debtor's counsel. Each Qualified Bid must include a Deposit, regardless of whether under the terms of the bid the Potential Bidder is making a cash payment or is simply assuming obligations.
- d. Additional Terms. Each Qualified Bid must identify the bidder and: (a) contain documents and information sufficient to establish the bidder's financial wherewithal and allow the Debtor, in consultation its professionals, any official committee appointed in the Chapter 11 Case and MPT, to make a determination regarding the Potential Bidder's ability to consummate the transactions contemplated by their Asset Purchase Agreement, including evidence of adequate assurance of such Potential Bidder's ability to perform under any of the Assumed Contracts and to pay all cure amounts required to assume and assign any such Assumed Contracts; (b) if applicable, provide that the bidder, if successful, will assume the Debtor's Medicare and Medicaid provider agreements or will obtain its own within a timeframe acceptable to the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT; (c) contain documents and information sufficient to establish that the Potential Bidder is likely to receive all necessary regulatory approvals in a timely manner and provide that the bidder agrees, if selected as the Successful Bidder or the Backup Bidder, to apply for all such regulatory approvals, including, without limitation, a certificate of need, to the extent that the applicable regulatory authorities are prepared to entertain applications from both the Successful Bidder and the Backup Bidder; (d) contain a W-9 form for every entity that contributes to the Potential Bidder's Deposit; (e) provide that the Potential Bidder's offer is irrevocable for the period set forth in these Bidding Procedures; (f) affirmatively acknowledge that the Potential Bidder (i) had adequate opportunity to conduct due diligence regarding the Debtor's assets prior to making its offer and does not require further due diligence, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Debtor's assets in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Debtor's

assets, or the completeness of any information provided in connection therewith; (g) not request or entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment; (h) provide that the Potential Bidder has waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to the submission of its bid or the Bidding Procedures; (i) provide that the Potential Bidder has obtained all necessary organizational approvals to make its bid and to enter into and perform its Asset Purchase Agreement and include evidence of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of its Asset Purchase Agreement; and (j) provide that the Deposit will be forfeited as minimum liquidated damages if the Potential Bidder is selected as the Successful Bidder, of Back-up Bidder if the Successful Bidder does not close the Sale, and fails to close the Sale.

- e. Identity of Bidders. Each Qualified Bid must fully disclose the identity of each entity that will be bidding for the Debtor's assets or otherwise participating in connection with such bid, including the names and addresses of any members or individuals with an interest in the entity, and the complete terms of any such participation, as well as the organization form and the business conducted by each entity. Each Qualified Bidder shall be required to provide such additional information as the Debtor, in consultation its professionals, any official committee appointed in the Chapter 11 Case and MPT, may reasonably require regarding the ability to satisfy the requirements of the applicable regulatory authorities.
- f. Contingencies. A Qualifying Bid must not be conditioned on obtaining financing, any internal approval, or the outcome or review of due diligence, or contain any environmental or other contingencies not otherwise expressly contained in the Stalking Horse Agreement. A Qualifying Bid may be subject to the accuracy in all material respects at the closing of specified representations and warranties or the satisfaction in all material respects at the closing of specified conditions, none of which shall be more burdensome than those set forth in the Stalking Horse Agreement.
- g. Timing. All Qualified Bids must be received before the Bid Deadline, unless the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, determines otherwise.
- h. Other Information. All Qualified Bids must contain such other information reasonably requested by the Debtor.

7. A "Qualified Bidder" is a Potential Bidder that delivers a Qualified Bid, and that the Debtor, in consultation with its professionals, an official committee appointed in the Chapter 11 Case and MPT, determines is reasonably likely to submit a *bona fide* offer and to be able to consummate a sale if selected as the Successful Bidder or Back-up Bidder.

8. Notwithstanding the foregoing but subject in all respects to the Stalking Horse Agreement, Prime is a Qualified Bidder and the Stalking Horse Agreement constitutes a Qualified Bid.

9. The Debtor shall notify Prime and all Qualified Bidders in writing as to whether or not any bids constitute Qualified Bids (and, with respect to each Qualified Bidder that submitted a bid other than Prime, whether such Qualified Bidder's bid constitutes a Qualified Bid) promptly after and in any event on the same day as, the determination by the Debtor regarding whether any bid constitutes a Qualified Bid; *provided, however*, that such notification shall not be given later than one (1) business day following the expiration of the Bid Deadline.

D. Bid Deadline.

10. A Qualified Bidder that desires to make a bid will deliver written copies of its bid to the following Notice Parties: (a) counsel to the Debtor, Bingham Greenebaum Doll LLP, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204, Attn: Thomas Scherer and Whitney Mosby, and Bingham Greenebaum Doll LLP, 3500 National City Tower, 101 South Fifth Street, Louisville, KY 40202, Attn: James R. Irving; (b) counsel to any official committee appointed in the Chapter 11 Case; (iii) counsel to MPT, Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, 420 North 20th Street, 1400 Wells Fargo Tower, Birmingham, AL 35203, Attn: Timothy M. Lupinacci, and Taft, Stettinius & Hollister LLP, One Indiana Square, Suite 3500, Indianapolis, IN 46204, Attn: John R. Humphrey; and (iv) counsel to Prime, Shulman, Hodges &

Bastian LLP, 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, Attn: Mark E. Bradshaw, so as to be received by the Debtor not later than Monday, October 6, 2014 at 5:00 p.m. (Eastern), the Bid Deadline. The Debtor, in consultation with its professionals, an official committee appointed in the Chapter 11 Case and MPT, may extend the Bid Deadline without further order of the Court.

E. Evaluation of Competing Bids

11. A Qualified Bid will be valued based upon several factors including, without limitation, (1) the amount of such bid, (2) the risks and timing associated with consummating such bid, (3) any proposed revisions to the Stalking Horse Agreement, (4) the continued medical care provided to the Hospital's patients, (5) the continued employment of the Debtor's employees, and (6) any other factors deemed relevant by the Debtor in its reasonable discretion.

F. No Qualified Bids Other Than Prime's Bid

12. If the Debtor does not receive any Qualified Bid other than Prime's bid, the Debtor will not conduct the Auction and Prime will be named the Successful Bidder on the Bid Deadline.

G. Auction Process

13. If the Debtor received one or more Qualified Bids in addition to Prime's bid, the Debtor will conduct the Auction, which shall be conducted on October 8, 2014 at 10:00 a.m. (Eastern) at the offices of Bingham Greenebaum Doll, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204, or at such other place, date and time as may be designated by the Debtor. All Qualified Bidders who wish to attend the Auction shall inform the Debtor's counsel by at least 4:00 p.m. (Eastern) on October 7, 2014.

14. The Auction shall be governed by the following procedures, which are subject to modification by the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, as the Debtor deems necessary to better promote the goals of the Auction and to comply with its fiduciary obligations:

- a. Participation at Auction. Attendance at the Auction shall be limited to the Debtor, any official committee appointed in the Chapter 11 Case, MPT, the U.S. Trustee, representatives of the United States Department of Health and Human Services, the Qualified Bidders (or their duly authorized representatives), the legal and financial advisers to each of the foregoing, and any other party the Debtor may invite to attend.
- b. No Collusion. Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the proposed Sale.
- c. Conduct of the Auction. The Debtor and its professionals shall direct and preside over the Auction. Other than as set forth herein, the Debtor, in consultation with its professionals, any official committee appointed in the Chapter 11 Case and MPT, may conduct the Auction in the manner they determine will result in the highest, best or otherwise financially superior offer for the Debtor's assets.
- d. Bidding Rounds. In the event that the Debtor receives one or more Qualified Bids prior to the Auction that in the Debtor's sole determination qualifies as the highest and best bid prior to the Auction (the "Opening Bid"), the Debtor shall notify all of the Qualified Bidders, including Prime, of the terms of such Opening Bid and provide them with a redlined copy of the Asset Purchase Agreement containing the Opening Bid with the Stalking Horse Agreement. Bidding at the Auction shall begin with the Opening Bid.
- e. Subsequent Bids and Bid Increments. At the Auction, after announcing the terms of the Opening Bid, the Debtor shall invite all of the Qualified Bidders attending the auction to improve their bids at the Auction in increments of not less than \$200,000 (which shall consider either compensation paid by the Qualified Bidders or debt assumed by the Qualified Bidders). The Auction shall continue with subsequent rounds of bidding and, after each round, the Debtor shall announce the "Leading Bid." The bidding shall be continuous and competitive and shall not end until all of the Qualified Bidders attending the Auction have submitted their last and best offers.
- f. Transcript. The Debtor shall maintain a transcript of all Bids made and announced at the Auction, including the Opening Bid, each Leading Bid, each subsequent bid, and the Successful Bid.

H. Selection of the Successful Bid

15. Prior to the conclusion of the Auction, the Debtors, in consultation with their professionals, any official committee appointed in the Chapter 11 Case and MPT, will review and evaluate each Qualified Bid in accordance with the procedures set forth herein and determine which offer is the highest or otherwise best offer from among the Qualified Bidders (including Prime) submitted at the Auction (one or more such bids, collectively the “Successful Bid” and the bidder(s) making such bid, collectively, the “Successful Bidder”), and communicate to Prime and the other Qualified Bidders the identity of the Successful Bidder and the details of the Successful Bid. The determination of the Successful Bid by the Debtor at the conclusion of the Auction shall be final, subject only to approval by the Court.

16. Within two (2) business days after adjournment of the Auction, the Successful Bidder shall complete and execute all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid was made. Within two (2) business days after adjournment of the Auction, the Debtor shall file a notice identifying the Successful Bidder with the Court.

17. The Debtor will sell the Purchased Assets to the Successful bidder pursuant to the terms of the Successful Bid upon approval of such Successful Bid by the Court at the Sale Hearing.

I. Return of Deposits

18. All good faith deposits shall be returned to each bidder not selected by the Debtor as the Successful Bidder or the Back-up Bidder no later than five (5) business days following the conclusion of the Auction.

19. If an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Qualified Bid, as determined by the Debtor in the exercise of its business judgment, at the Auction shall be required to serve as the Back-up Bidder and keep such bid open and irrevocable until one day after the Sale to the Successful Bidder closes. If the Sale to the Successful Bidder does not close the Sale by December 31, 2014, the Back-up Bidder will be deemed the new Successful Bidder and the Debtor will be authorized, but not required, to consummate the sale with the Back-up Bidder without further order of the Bankruptcy Court.

J. Sale Hearing

20. The Debtor will seek entry of an order from the Court at the Sale Hearing to begin on or before October 17, 2014, to approve and authorize the Sale to the Successful Bidder on terms and conditions determined in accordance with the Bid Procedures.

EXHIBIT C

(Procedures Notice)

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		

**NOTICE OF BID PROCEDURES,
AUCTION DATE AND SALE HEARING**

PLEASE TAKE NOTICE that on August 22, 2014, Monroe Hospital, LLC (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 case, filed the *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 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* (the “Bid Procedures Motion”) and the *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* (the “Sale Motion”).² The Debtor seeks, among other things, to sell certain tangible and intangible assets related to the Hospital (the “Purchased Assets”) to the successful bidder (the “Successful Bidder”), at an auction free and clear of all liens, claims, encumbrances and other interests pursuant to sections 363 and 365 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that, on _____, 2014, the Bankruptcy Court entered an order (the “Bidding Procedures Order”) granting the Bid Procedures Motion and approving the bidding procedures (the “Bidding Procedures”), which set the key dates and times related to the Sale of the Purchased Assets. All interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures. To the extent that there are any inconsistencies between the Bidding Procedures Order (including the Bidding Procedures) and the summary description of its terms and conditions contained in this Notice, the terms of the

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

² Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Bid Procedures Motion and the Sale Motion.

Bidding Procedures Order shall control.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bidding Procedures, an auction (the “Auction”) to sell the Purchased Assets will be conducted on October 8, 2014 starting at 10:00 a.m. (Eastern) at the offices of Bingham Greenebaum Doll LLP, 2700 Market Tower, 10 W. Market Street, Indianapolis, IN 46204, or at such other location as shall be identified in a notice filed with the Court at least 24 hours prior to the commencement of the Auction.

PLEASE TAKE FURTHER NOTICE that a hearing will be held to approve the sale of the Purchased Assets to the Successful Bidder (the “Sale Hearing”) before the Honorable James M. Carr, United States Bankruptcy Court for the Southern District of Indiana, Room 310, 46 East Ohio Street, Indianapolis, Indiana, 46204 on October __, 2014 at _____ (Eastern), or at such time thereafter as counsel may be heard or at such other time as the Bankruptcy Court may determine. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing. Objections to the Sale to the Stalking Horse purchaser shall be filed and served no later than 4:00 p.m. (Eastern) on _____, 2014, on: (i) counsel to the Debtor, Bingham Greenebaum Doll LLP, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204, Attn: Thomas Scherer (tscherer@bgdlegal.com) and Whitney Mosby (wmosby@bgdlegal.com), and Bingham Greenebaum Doll LLP, 3500 National City Tower, 101 South Fifth Street, Louisville, KY 40202, Attn: James R. Irving (jirving@bgdlegal.com); (ii) counsel to any official committee appointed in the Chapter 11 Case; (iii) counsel to Prime, Shulman, Hodges & Bastian LLP, 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, Attn: Mark E. Bradshaw (MBradshaw@shbllp.com); and (iv) counsel to the Office of The United States Trustee, 101 West Ohio, Suite 1000, Indianapolis, IN 46204, Attn: Beth R. Kramer (Beth.Kramer@usdoj.gov).

PLEASE TAKE FURTHER NOTICE that this Notice of the Auction and Sale Hearing is subject to the full terms and conditions of the Bid Procedures Motion, Bidding Procedures Order and Bidding Procedures, which shall control in the event of any conflict, and the Debtors encourage parties in interests to review such documents in their entirety. A copy of the Bid Procedures Motion, the Sale Motion, Bidding Procedures Order and/or Bidding Procedures Order may be obtained from UpShot Services, LLC through its website at <http://www.upshotservices.com/monroehospital>, or by submitting a written request to Monroe Hospital Claims Processing, c/o UpShot Services LLC, 7808 Cherry Creek South Drive, Suite 112, Denver, CO 80231 or by calling the toll-free number: (855) 812-6112.

[remainder of page intentionally left blank]

Dated: August __, 2014

Respectfully submitted,

/s/ James R. Irving
Thomas C. Scherer
Whitney Mosby
Bingham Greenebaum Doll LLP
2700 Market Tower
10 West Market Street
Indianapolis, Indiana 46204
Telephone: (859) 233-2012
Facsimile: (859) 259-0649
E-mail: tscherer@bgdlegal.com
wmosby@bgdlegal.com

-and-

James R. Irving
Bingham Greenebaum Doll LLP
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202
Telephone: (502) 587-3606
Facsimile: (502) 540-2215
E-mail: jirving@bgdlegal.com

*Proposed counsel to the debtor, Monroe Hospital,
LLC*

EXHIBIT D

(Cure Notice)

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		

**NOTICE TO COUNTERPARTIES TO
EXECUTORY CONTRACTS AND UNEXPIRED
LEASES OF THE DEBTORS THAT MAY BE ASSUMED AND ASSIGNED**

PLEASE TAKE NOTICE that on August 22, 2014, Monroe Hospital, LLC (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 case, filed the *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 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* (the “Bid Procedures Motion”) and the *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* (the “Sale Motion”).² The Debtor seeks, among other things, to sell certain tangible and intangible assets related to the Hospital (the “Purchased Assets”) to the successful bidder (the “Successful Bidder”), at an auction free and clear of all liens, claims, encumbrances and other interests pursuant to sections 363 and 365 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that, the Bid Procedures Motion seeks entry of an order (the “Bidding Procedures Order”) approving, among other things, the Bidding Procedures requested in the Motion, which the Bidding Procedures Order governs (i) the bidding process for the sale of certain tangible and intangible assets related to the business (the “Purchased Assets”) of the Debtor and (ii) procedures for the assumption and assignment of certain of the Debtor’s executory contracts and unexpired leases.

PLEASE TAKE FURTHER NOTICE that the Motion also seeks Court approval of the sale

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

² Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Bid Procedures Motion and the Sale Motion.

(the “Sale”) of the Purchased Assets to the Successful Bidder, free and clear of all liens, claims, interests and encumbrances pursuant to section 363 of the Bankruptcy Code, including the assumption by the Debtors and assignment to the buyer of certain executory contracts and unexpired leases pursuant to section 365 of the Bankruptcy Code (the “Assumed Executory Contracts”). Within two business days following adjournment of the Auction, the Debtor shall file a notice identifying the Successful Bidder with the Bankruptcy Court and serve such notice by fax, email and/or overnight mail, as applicable, to all counterparties whose contracts are to be assumed and assigned.

PLEASE TAKE FURTHER NOTICE that the Bid Procedures Motion seeks an evidentiary hearing (the “Sale Hearing”) to approve the Sale and authorize the assumption and assignment of the Assumed Executory Contracts on _____, 2014 at _____ (Eastern), or at such time thereafter as counsel may be heard on or at such other time as the Court may determine before the Honorable James M. Carr, United States Bankruptcy Court for the Southern District of Indiana, Room 310, 46 East Ohio Street, Indianapolis, Indiana, 46204 on October __, 2014 at _____ (Eastern). The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that, consistent with the Bidding Procedures Order, the Debtor may seek to assume an executory contract or unexpired lease to which you may be a party. The Assumed Executory Contract is described on Exhibit 1 to this Notice. The amount shown on Exhibit 2 hereto as the “Cure Amount” is the amount, if any, based upon the Debtor’s books and records, which the Debtor asserts is owed to cure any defaults existing under the Assumed Executory Contract.

PLEASE TAKE FURTHER NOTICE that if you disagree with the Cure Amount shown for the Assumed Executory Contract(s) on Exhibit 2 to which you are a party you must file in writing with the United States Bankruptcy Court for the Southern District of Indiana, 46 East Ohio Street, Indianapolis, Indiana, 46204, an objection on or before 4:00 p.m. (Eastern) on _____, 2014. Any objection must set forth the specific default or defaults alleged and set forth any cure amount as alleged by you. If a contract or lease is assumed and assigned pursuant to a Court order approving the same, then unless you properly file and serve an objection to the Cure Amount contained in this Notice, you will receive at the time of the closing of the Sale (or as soon as reasonably practicable thereafter), the Cure Amount set forth herein, of any, with payment made pursuant to the terms of the applicable Asset Purchase Agreement and any order approving the Sale. Any non-debtor party to an Assumed Executory Contract that fails to timely file and serve an objection to the Cure amounts shall be forever barred from asserting that a Cure Amount is owed in an amount in excess of the amount, if any, set forth in the attached Exhibit 2.

PLEASE TAKE FURTHER NOTICE that if you have any other objection to the Debtor’s assumption and assignment of the Assumed Executory Contract to which you may be a party (other than an objection to the Cure Amount, which Cure Amount objection must be filed as set forth above), including without limitation, with respect to the buyer’s ability to provide adequate assurance of future performance under the Assumed Executory Contract, you also must file that objection in writing no later than 4:00 p.m. (Eastern) on _____, 2014, provided, however, that

any counterparty to an Assumed Executory Contract may file and serve an objection to the assumption and assignment of the Assumed Executory Contract solely with respect to the Successful Bidder's ability to provide adequate assurance of future performance under the Assumed Executory Contract up to the time of the Sale Hearing, or raise it at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that an objection you may file must be served on the following parties by the applicable objection deadline date and time: (i) counsel to the Debtor, Bingham Greenebaum Doll LLP, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204, Attn: Thomas Scherer (tscherer@bgdlegal.com) and Whitney Mosby (wmosby@bgdlegal.com), and Bingham Greenebaum Doll LLP, 3500 National City Tower, 101 South Fifth Street, Louisville, KY 40202, Attn: James R. Irving (jirving@bgdlegal.com); (ii) counsel to any official committee appointed in the Chapter 11 Case; (iii) counsel to Prime, Shulman, Hodges & Bastian LLP, 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, Attn: Mark E. Bradshaw (MBradshaw@shbllp.com); and (iv) counsel to the Office of The United States Trustee, 101 West Ohio, Suite 1000, Indianapolis, IN 46204, Attn: Beth R. Kramer (Beth.Kramer@usdoj.gov).

PLEASE TAKE FURTHER NOTICE that the buyer shall be responsible for satisfying any requirements regarding adequate assurance of future performance that may be imposed under sections 365(b) and (f) of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, in connection with the proposed assignment of any Assumed Executory Contract. The Court shall make its determinations concerning adequate assurance of future performance under the Assumed Executory Contracts pursuant to 11 U.S.C. §§ 365(b) and (f) at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that, in the event that the Debtor and the non-debtor party cannot resolve any Cure Amount Objection, the Debtor shall segregate any disputed Cure Amounts (the "Disputed Cure Amounts") pending the resolution of any such disputes by the Court or mutual agreement of the parties. Cure Amount Objections may be resolved by the Court at the Sale Hearing, or at a separate hearing either before or after the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that, except to the extent otherwise provided in the Asset Purchase Agreement or Stalking Horse Agreement of the Successful Bidder, pursuant to section 365(k) of the Bankruptcy Code, the Debtor and the Debtor's bankruptcy estate shall be relieved of all liability accruing or arising after the effective date of the assumption and assignment of the Assumed Executory Contracts.

PLEASE TAKE FURTHER NOTICE that nothing contained herein shall obligate the Debtor to assume any Assumed Executory Contracts or to pay any Cure Amount.³

[remainder of page intentionally left blank]

³ "Assumed Executory Contracts" are those Contracts and Leases that the Debtor believes may be assumed and assigned as part of the orderly transfer of the Purchased Assets; however, the Successful Bidder may choose to exclude certain of the Debtor's Contracts and Leases from the list of Assumed Executory Contracts as part of their bid, causing such Contracts and Leases not to be assumed by the Debtor.

PLEASE TAKE FURTHER NOTICE THAT IF YOU DO NOT TUIMELY FILE AND SERVE AN OBJECTION AS STATED ABOVE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITH NO FURTHER NOTICE.

ANY NON-DEBTOR PARTY TO ANY ASSUMED EXECUTORY CONTRACT WHO DOES NOT FILE A TIMELY OBJECTION TO THE CURE AMOUNT FOR SUCH ASSUMED EXECUTORY CONTRACT IS DEEMED TO HAVE CONSENTED TO SUCH CURE AMOUNT.

Dated: August __, 2014

Respectfully submitted,

/s/ James R. Irving

Thomas C. Scherer

Whitney Mosby

Bingham Greenebaum Doll LLP

2700 Market Tower

10 West Market Street

Indianapolis, Indiana 46204

Telephone: (859) 233-2012

Facsimile: (859) 259-0649

E-mail: tscherer@bgdlegal.com

wmosby@bgdlegal.com

-and-

James R. Irving

Bingham Greenebaum Doll LLP

3500 National City Tower

101 South Fifth Street

Louisville, Kentucky 40202

Telephone: (502) 587-3606

Facsimile: (502) 540-2215

E-mail: jirving@bgdlegal.com

*Proposed counsel to the debtor, Monroe Hospital,
LLC*

EXHIBIT E

(Privacy Notice)

YOUR RIGHTS: When it comes to your health information, you have certain rights. This section will explain your rights.

RIGHT TO REQUEST RESTRICTIONS: You have the right ask us not to share certain health information for treatment, payment, or our operations. We are not required to agree to your request, and we may say "no" if it would affect your care. If you pay for services or health care item out-of-pocket in full, you can ask us to not share that information for the purpose of payment or our operations with your insurer. We will say "yes" unless a law requires us to share that information. In addition, because of the many health care providers participating in the organized health care arrangement (Monroe Hospital and its Medical Staff members), we generally cannot agree to special requests. If we do agree, we will comply with your request unless the information is needed to provide you emergency treatment. To request restrictions, you must make your request in writing to The Director of Health Information Services (see *contact information listed at the end of this notice*). In your request, you must tell us (1) what information you want to limit, (2) whether you want to limit our use, disclosure or both, and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

RIGHT TO INSPECT AND COPY: You have the right to inspect and obtain electronic or paper copy medical information that may be used to make decisions about your care. If you are a current inpatient, you should notify your primary nurse and complete the required form. If you are an outpatient or discharged patient, you should contact the Director of Health Information Services to obtain and complete the required form (*See contact information listed at the end of this notice*). If you request a copy of the information, we may charge a fee for the costs of copying, mailing or other supplies associated with your request. We will provide a copy or summary of requested records within 30days of your request. We may deny your request to inspect and copy in certain circumstances as defined by applicable state & federal law. If your request is denied, you have the right to have the denial reviewed by another licensed health care professional chosen by the hospital and who did not participate in the original decision to deny. We will comply with the outcome of the review.

RIGHT TO AMEND YOUR HEALTH RECORD: If you feel that medical information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by the hospital. If you are a current inpatient, you should notify your primary nurse and complete the required form. If you are an outpatient or discharged patient, you should contact the Director of Health Information Services in writing. (*see contact information listed at the end of this Notice*) to obtain and complete the required form. In addition, you must provide a reason that supports your request. We may deny your request to amend your health record if the record:

- was not created by us, unless the person or entity that created the information is no longer available to make the amendment;
- is not part of the medical information kept by or for the hospital
- is part of the information which you would not be permitted by law to inspect and copy; or
- is accurate and complete.

RIGHT TO AN ACCOUNTING OF DISCLOSURES: You have the right to ask for a list (accounting) of the times we've shared your health information for six years prior to the date you ask, who we share it with, and why. We will include all disclosures except for those about treatment, payment, healthcare operations, and certain other disclosures (*such as any you asked us to make*). To request this information, you must submit your request in writing to the Director of Health Information Services in writing (*see contact information listed at the end of this*

notice). Your request must state a time period which may not include dates before April 14, 2003. Your request should indicate in what format you want the accounting (*for example, on paper or electronically*). The first list you request within a 12-month period will be free. For additional lists, we may charge you a reasonable, cost-based fee if you request another list within 12 months. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

RIGHT TO REQUEST CONFIDENTIAL COMMUNICATIONS: You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that we only contact you at work, at home, by phone, by mail or by email. To request confidential communications, you must make your request in writing to Monroe Hospital attention: Patient Access Department manager, 4011 S Monroe Medical Park Blvd, Bloomington, IN, 47403. We will not ask you the reason for your request. We will accommodate all reasonable requests. Your request must specify how or where you wish to be contacted.

RIGHT TO A PAPER COPY OF THIS NOTICE: You have the right to a paper copy of this notice. You may ask us to give you a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice and we will provide it promptly. To obtain a paper copy of this notice, you may contact Monroe Hospital, Attn: Patient Access Manager, 4011 S Monroe Medical Park Blvd, Bloomington, IN, 47403.

RIGHT TO CHOOSE SOMEONE TO ACT ON YOUR BEHALF: If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health. We will make every effort to verify the person truly has authority and can act for you before we take any action.

To be binding, any agreement to comply with any special restrictions must be in writing signed by the director of Health Information Management

COMPLAINTS AND CONTACT INFORMATION

If you have any questions about this notice or wish to request further information, contact Monroe Hospital at the number listed below. If you believe your privacy rights have been violated, you may file a complaint with the hospital or with the Secretary of the Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Ave., S.W., Washington, D.C. 20201, calling 1-877-696-6775 or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/. To file a complaint with the hospital, contact the Director of Compliance at the number listed below. All complaints must be submitted in writing. We will not retaliate against you for filing a complaint.

<p style="text-align: center;">PRIVACY OFFICER MONROE HOSPITAL 4011 S. MONROE MEDICAL PARK BLVD BLOOMINGTON, IN 47403 Phone: 812.825.1111 Fax: 812.825.0750 E-mail: wecare@monroehospital.com</p>



**HIPAA NOTICE OF
 PRIVACY PRACTICES**

MONROE HOSPITAL & AFFILIATES

*EFFECTIVE DATE: APRIL 14, 2003
 REVISED 01/2014*

**THIS NOTICE DESCRIBES HOW MEDICAL
 INFORMATION ABOUT YOU MAY BE USED AND
 DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS
 INFORMATION
 PLEASE REVIEW IT CAREFULLY**

OUR RESPONSIBILITIES

- We are required under applicable state & federal law to:
- maintain the privacy of your medical information;
 - Give you this notice about our privacy practices, our legal duties, & your rights concerning your medical information.
 - Follow the privacy practices described in this notice while it is in effect.
 - Promptly notify you in the unlikely event that your protected health information is improperly disclosed, used or accessed.

WHO WILL FOLLOW THIS NOTICE?

This notice describes our hospital's practices and that of:

- Any health care professional authorized to enter information into your hospital chart.
- All departments and units of the hospital, including outpatient facilities
- Any member of a volunteer group we allow to help you while you are in the hospital.
- All employees and staff in all departments and units

Monroe Hospital, affiliates, and members of Monroe hospital medical staff may share medical information with each other for treatment, payment or health care operations purposes as described in this notice. Although the hospital and medical staff members have established an organized health care arrangement for purposes of complying with privacy laws, medical staff members are not employees or agents of the hospital and remain independent contractors.

PROVIDED TO ALL PATIENTS AT EVERY ENCOUNTER

OUR PLEDGE REGARDING MEDICAL INFORMATION:

We understand that your medical information is personal and we are committed to protecting that information. We create a record of the care you receive at the hospital. We need this record to provide you with quality care and to comply with certain legal requirements. This notice applies to all of the records of your care generated by the Monroe hospital, whether made by the hospital personnel or your personal doctor. Your personal doctor may have different policies regarding the doctor's use and disclosure of your medical information created in the doctor's office or clinic.

This notice will tell you about the ways we may use and disclose your medical information as well as explain what your rights and obligations are regarding the use and disclosure of the information.

HOW WE MAY USE AND DISCLOSE YOUR MEDICAL INFORMATION

The following categories describe different ways that we use and disclose medical information. For each category we will explain what we mean and try to give an example. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted to use and disclose information will fall within one of the categories.

FOR TREATMENT: We may use medical information about you to provide you with medical treatment or services. We may disclose medical information about you to doctors, nurses, technicians, medical students, or other hospital personnel who are involved in taking care of you at the hospital. For example, a doctor treating you for a broken leg may need to know if you have diabetes because diabetes may slow the healing process. In addition, the doctor may need to tell the dietitian if you have diabetes so that we can arrange for appropriate meals. Different departments of the hospital also may share medical information about you in order to coordinate the different things you need, such as prescriptions, lab work, and x-rays. We also may disclose medical information about you to people outside the hospital who may be involved in your medical care after you leave the hospital, such as family members, clergy, or others we use to provide services that are part of your care.

FOR PAYMENT: We may use and disclose medical information about you to obtain prior approval from your insurance company for treatment and services. For example, we may need to give your health plan information about surgery you received at the hospital so your health plan will pay us or reimburse you for surgery.

FOR HEALTHCARE OPERATIONS: We may use and disclose medical information about you for hospital operations. These uses and disclosures are necessary to run the hospital and make sure that all of our patients receive quality care. For example, we may use medical information about you to evaluate our staff and services or for teaching purposes. We may also combine medical information about many hospital patients and about other hospitals to see where we can make improvements in the quality of care and services we offer. We may also combine medical information from other hospitals to see where we can make improvements. We may remove information that identifies you from this set of medical information to protect your privacy.

APPOINTMENT REMINDERS: We may use and disclose medical information to contact you as a reminder that you have an appointment for treatment or medical care at the hospital.

TREATMENT ALTERNATIVES & HEALTH RELATED SERVICES: We may use and disclose medical information to tell you about or recommend possible treatment options or alternatives or health related benefits or services that may be of interest to you.

FUNDRAISING & MARKETING ACTIVITIES: We may use information about you or disclose it to our foundation office so they may contact you in an effort to raise money for the hospital and its operations. We only would release contact information, such as your name, address, phone number, and dates you received treatment or services at the hospital. **However, you have the right to tell us not to contact you regarding fundraising & marketing activities by notifying the Director of Compliance (see contact information listed at end of this notice).**

HOSPITAL DIRECTORY: Unless you tell us not to, we may include certain limited information about you in the hospital directory while you are a patient at the hospital. This information may include your name, location in the hospital,

your general condition (e.g. fair, stable, etc.) and your religious affiliation. The directory information, except for your religious affiliation, may also be released to people who ask for you by name. Your religious affiliations also may be given to a member of the clergy, such as a priest or rabbi, even if they don't ask for you by name. This is so your family, friends, and clergy can visit you in the hospital and generally know how you are doing.

INDIVIDUALS INVOLVED IN YOUR CAREOR PAYMENT FOR YOUR CARE: Unless you tell us not to, we may release medical information about you to a friend or family member who is involved in your medical care. We may also tell you, family or friends your condition and that you are in the hospital. In addition, we may disclose medical information about you to an entity assisting in disaster relief efforts so that your family can be notified about your condition, status, and location.

RESEARCH: Under certain circumstances, we may use and disclose medical information about you for research purposes or to help people preparing a research proposal. For example, a research project may involve comparing the health and recovery of all patients who received one medication to those who received another, for the same condition. All research projects, however, must be approved by a privacy board that has reviewed the research proposal to ensure the privacy of your medical condition.

BUSINESS ASSOCIATES: There are some services provided in the hospital through contracts with business associates. One example is the copy service we use when making copies of your health record. We may disclose your healthcare information to our business associate so they can perform the job we have asked them to do. To protect your health information, however, we require business associates to appropriately safeguard your information.

AS REQUIRED BY LAW: We will disclose medical information about you when required to do so by federal, state, or local law.

TO AVERT A SERIOUS THREAT TO HEALTH OR SAFETY: We may use and disclose medical information about you when necessary to prevent a serious threat to the health and safety of you or another person. Any disclosure, however, would only be to someone able to prevent the threat.

SPECIAL SITUATIONS

WORKERS' COMPENSATION: We may release medical information about you for workers' compensation or similar programs. These programs provide benefits for work related injuries or illness.

ORGAN & TISSUE DONATION: If you are an organ donor, we may release medical information about you to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

MILITARY OR VETERANS: If you are a member of the armed forces, we may release medical information about you as required by military command authorities. We may also release medical information about foreign military personnel to the appropriate foreign military authority.

CORNER, MEDICAL EXAMINER, & FUNERAL DIRECTORS: We may release medical information about you to a corner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. We may release medical information about patients of the hospital to funeral directors as necessary to carry out their duties.

PUBLIC HEALTH RISKS: We may disclose medical information about you for public health services.

- These activities generally include the following:
- To prevent or control disease, injury, or disability;
 - To report births and deaths;
 - To report abuse or neglect of children, elders, and dependent adults;
 - To report reactions to medications or problems with products;
 - To notify people of recalls of products they may be using;
 - To notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition;

- To notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect, or domestic violence. We will only make this disclosure if you agree or when required or authorized by law.

HEALTH OVERSIGHT ACTIVITIES: We may disclose medical information to a health oversight agency for activities authorized by law. These oversight activities include audits, investigations, inspections, and licensure.

LAWSUITS & DISPUTES: If you are involved in a lawsuit or a dispute, we may disclose medical information about you in response to a court or administrative order. We may also disclose medical information about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

LAW ENFORCEMENT: We may release medical information about you if asked to do so by a law enforcement official.

- In response to a court order, subpoena, warrant, summons, or similar process;
- To identify or locate a suspect, fugitive, material witness, or missing person;
- About the victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement;
- About a death we believe may be the result of criminal conduct;
- About criminal conduct at the hospital; and
- In emergency circumstances to report a crime, the location of the crime or victims, or the identity, description or location of the person who committed the crime.

NATIONAL SECURITY, INTELLIGENCE ACTIVITIES & PROTECTIVE SERVICES: We may release medical information about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law and for protective services for certain public and foreign officials.

INMATES: If you are an inmate of a correctional institution or under the custody of a law enforcement official, we may release medical information about you to the correctional institution or law enforcement official. This release would be necessary (1) for the institution to provide you with health care; (2) to protect the health and safety of you or the other inmates; or (3) for the safety and security or the correctional institution.

OTHER USES OF MEDICAL INFORMATION

Other uses and disclosures not covered by this notice or the laws that apply to us including those that constitute a sale of protected health information will be made only with your written permission. If you provide us permission to use or disclose health information about you, you may revoke that permission, in writing, at any time. If you revoke your permission, we will no longer use or disclose medical information about you for the reasons covered by your written authorization. You understand that we are unable to take back any disclosures we have already made with your permission, and that we are required to retain our records of the care that we provided to you.

CHANGES TO THIS NOTICE

We reserve the right to change this notice. We reserve the right to make the revised or changed notice effective for medical information we already have about you as well as any information we receive in the future. We will post a copy of the current notice in the hospital's website. The notice will contain on the first page, the effective date. In addition, each time you register at or are admitted to the hospital for treatment or health care services as an inpatient or outpatient, we will offer you a copy of the current notice in effect.