

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X		
In re:	:	Chapter 11
	:	
SAINT VINCENTS CATHOLIC MEDICAL	:	Case No. 10-11963 (CGM)
CENTERS OF NEW YORK, <u>et. al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
-----X		

**STIPULATION AND ORDER PURSUANT TO BANKRUPTCY RULE 9019 AND
SECTION 363 OF THE BANKRUPTCY CODE (I) APPROVING CERTAIN
AGREEMENTS AMONG SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF
NEW YORK, APTIUM W. NEW YORK, INC., AND BETH ISRAEL MEDICAL CENTER
AND (II) AUTHORIZING THE DEBTORS TO PERFORM ALL ACTS AND
CONSUMMATE TRANSACTIONS CONTEMPLATED THEREIN**

Saint Vincents Catholic Medical Centers of New York (“**SVCMC**”)¹, as chapter 11 debtor and debtor in possession (the “**Debtor**”), Aptium W. New York, Inc. (“**Aptium**”), and Beth Israel Medical Center (“**BIMC**”), by and through their undersigned counsel, hereby enter into this stipulation and order (the “**Stipulation**”) authorizing SVCMC to (a) transfer its interests in the operations of the comprehensive outpatient cancer care center located at 111 Eighth Avenue, New York, New York (the “**Cancer Center**”) to BIMC, (b) consensually terminate SVCMC’s agreements with Aptium and settle claims relating thereto, and (c) enter into new agreements with Aptium and BIMC to facilitate the foregoing.

¹ Unless otherwise indicated, capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion. The terms “**Permitted Prior Senior Liens**”, “**Prepetition Agent**,” “**Prepetition Lenders**,” “**Prepetition Obligations**,” “**DIP Loan**,” “**DIP Agent**,” “**DIP Lenders**” shall have the meanings ascribed to them in the Final Order (I) Authorizing Debtors to Incur Postpetition Indebtedness; (II) Granting Senior Security Interests and Superpriority Claims (III) Authorizing the Debtors to Use Cash Collateral (IV) Granting Adequate Protection; (V) Providing Related Relief; and (VI) Scheduling a Final Hearing [Docket No.285] (the “**DIP Order**”).

RECITALS

WHEREAS,

A. On April 14, 2010 (the “**Petition Date**”), SVCMC and certain affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”) with the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

B. Both prior to and subsequent to the Petition Date, Comprehensive Cancer Corporation of New York (n/k/a Aptium W. New York, Inc.; defined above as “**Aptium**”) provided and continues to provide development, consulting, administrative and other services to SVCMC with respect to the operation of the Cancer Center. Aptium provides the aforementioned services pursuant to the following agreements:

- i. Second Amended and Restated Consulting and Administrative Services Agreement effective as of April 11, 1996 (as amended from time to time, the “**Consulting Agreement**”)²;
- ii. Sublease Agreement dated January 27, 1997, pursuant to which SVCMC agreed to sublease from Aptium the space at which the Cancer Center is located (as amended from time to time, the “**Sublease**”)³;
- iii. Development Agreement dated as of April 11, 1996 between SVCMC and Aptium (the “**Development Agreement**”);
- iv. Approvals Agreement dated as of April 11, 1996 between SVCMC and Aptium (the “**Approvals Agreement**”);
- v. Network/Salicknet Agreement dated as of April 11, 1996 between SVCMC and Aptium (the “**Network/Salicknet Agreement**”);
- vi. Amended and Restated Implementation Agreement dated as of August 30,

² The Consulting Agreement, which was later modified by a letter agreement of May 1, 2007, was assumed by Bankruptcy Court Order entered June 6, 2007 in connection with the prior chapter 11 case of SVCMC. The term “Consulting Agreement” shall include all subsequent agreements that supplement, clarify and amend the Consulting Agreement.

³ Pursuant to the Sublease, SVCMC subleases from Aptium the space at which the Cancer Center is located.

2007 (the “**Implementation Agreement**”);

- vii. Aptium/GE Intercreditor Agreement dated as of August 30, 2007 (the “**Intercreditor Agreement**”);
- viii. Blocked Account Agreement dated as of September 18, 2007 (the “**Blocked Account Agreement**” or the “**Control Agreement**”); and
- ix. Forbearance Agreement, dated as of February 16, 2010 (the “**Forbearance Agreement**”).

The Consulting Agreement, Sublease, Development Agreement, Approvals Agreement, Network/Salicknet Agreement are collectively defined herein as the “**Pre-Petition Documents**”. The Implementation Agreement, Sublease, Intercreditor Agreement, Blocked Account Agreement (or the Control Agreement) and Forbearance Agreement are collectively defined herein as the “**Security Documents**”.

C. To secure the payment of the amounts due to Aptium under the Consulting Agreement, SVCMC granted to Aptium a security interest in, inter alia, the following collateral: (i) revenue generated from the operation of the Cancer Center (as defined in the Consulting Agreement as “**Program Revenue**” and as further set forth in the UCC-1 financing statement filed by Aptium); (ii) all accounts receivable, contract rights, rights to receive payment, claims, entitlements or other rights which are a part of, which arise out of, or which result from the Program Revenue, and (iii) all proceeds of any of the foregoing (all the foregoing, the “**Cancer Center Receivables**”).

D. In furtherance of the Consulting Agreement and consistent with certain other agreements of the parties, Aptium and SVCMC entered into the Implementation Agreement⁴ and the Blocked Account Agreement pursuant to which SVCMC granted to Aptium a security interest

⁴ The Implementation Agreement sets forth the terms and conditions pursuant to which cash proceeds from the Cancer Center Receivables are identified and distributed to a segregated account, bank account No. 7922714494 at TD Banknorth, f/k/a Commerce Bank (the “**Blocked Account**”).

with respect to the depository account into which the Cancer Center Receivables are deposited.⁵

E. On February 4, 2010, Aptium delivered a notice of default to SVCMC, arising from SVCMC's failure to make certain payments due to Aptium under, inter alia, the Implementation Agreement. On February 16, 2010, SVCMC and Aptium entered into a forbearance agreement (defined above as the "**Forbearance Agreement**") in which Aptium agreed to forbear from issuing a Trigger Notice (as defined in the Blocked Account Agreement) to TD Banknorth (f/k/a Commerce Bank) with respect to the Blocked Account in exchange for SVCMC's commitment to continue making current going-forward payments to Aptium under the Consulting Agreement, as well as affording Aptium certain read-only online access rights to bank statements for the Blocked Account.

F. On or about April 29, 2010, SVCMC and BIMC entered into an agreement pursuant to which BIMC has agreed to pay to SVCMC certain consideration (as set forth in such agreement) in exchange for SVCMC transferring to BIMC all of its rights and interests in the Cancer Center (the "**BIMC Agreement**").

G. On or about May 19, 2010, SVCMC and Aptium entered into an agreement pursuant to which they agreed, among other things, to terminate the Pre-Petition Documents on the Transition Date (as defined below), to address certain operational issues related to the transition to BIMC and to provide for treatment and payment of obligations due from SVCMC to Aptium (the "**Aptium Agreement**" together with the BIMC Agreement, the "**Cancer Center Transaction Agreements**").

STIPULATION AND AGREEMENT

⁵ On August 30, 2007, Aptium and SVCMC's secured lender, General Electric Capital Corporation ("**GE Capital**") entered into that certain Aptium/GE Intercreditor Agreement, in which Aptium, GE Capital and SVCMC set forth certain agreements among them concerning, among other things, Aptium's and GE Capital's respective interests in the Cancer Center Receivables.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter contained, Aptium, BIMC and the Debtors stipulate and agree as follows:

1. Approval of Cancer Center Transaction Agreements.

a. BIMC and SVCMC agree to be bound by the terms and conditions of the BIMC Agreement, a copy of which is annexed hereto as **Exhibit “A”**, the terms and conditions thereof are hereby incorporated into this Stipulation and Order as if set forth in full herein. SVCMC and each of the other Debtors, and each of their respective officers, employees and agents, be and they hereby are, authorized to execute such documents and to do such acts as are reasonably necessary or desirable to carry out and effectuate the BIMC Agreement and the related actions set forth therein and in this Stipulation and Order.

b. Aptium and SVCMC agree to be bound by the terms and conditions of the Aptium Agreement, a copy of which is annexed hereto as **Exhibit “B”**, the terms and conditions thereof are hereby incorporated into this Stipulation and Order as if set forth in full herein. SVCMC and each of the other Debtors, and each of their respective officers, employees and agents be, and they hereby are, authorized to execute such documents and to do such acts as are reasonably necessary or desirable to carry out and effectuate the Aptium Agreement and the related actions set forth therein and in this Stipulation and Order. Upon approval of this Stipulation and Order by the Court, this Stipulation and Order is the “Approval Order” described in the Aptium Agreement and the definitive documentation described in the BIMC Agreement.

c. Subject to Court approval of this Stipulation and Order, pursuant to section 363(b) of the Bankruptcy Code, SVCMC is (i) authorized to enter into the Cancer Center Transaction Agreements, (ii) authorized and empowered to transfer and convey SVCMC’s

interests in and to the Cancer Center to BIMC pursuant to the BIMC Agreement and this Stipulation and Order and such interests shall be transferred to BIMC free and clear of all liens claims and encumbrances such that BIMC will not be subject to any liability whatsoever with respect to the Debtor's operation of the Cancer Center prior to the closing of the transactions contemplated hereby, or by reason of the transfer of the Debtors' interests in the Cancer Center business to BIMC based on any theory of law or equity including, without limitation, any laws affecting successor, transferee, or vicarious liability, and (iii) authorized and empowered to terminate the Pre-Petition Documents pursuant to the terms of Aptium Agreement and this Stipulation and Order.

d. Subject to Court approval of this Stipulation and Order, pursuant to Bankruptcy Rule 9019, SVCMC is authorized to enter into the Aptium Agreement and the compromises and settlements of claims provided for therein. In accordance with Bankruptcy Rule 9019, SVCMC and each of the other Debtors, and each of their respective officers, employees and agents be, and they hereby are, authorized to execute such document and to do such acts as are reasonably necessary or desirable to carry out and effectuate the Aptium Agreement and the related actions set forth therein and in this Stipulation and Order.

2. Termination of Contracts. Subject to Court approval of this Stipulation and Order and the Cancer Center Transaction Agreements, the Pre-Petition Documents shall be terminated as provided for in, and subject to the terms and conditions of, the Aptium Agreement and this Stipulation and Order. However, anything herein to the contrary notwithstanding, as and to the extent provided for in the Aptium Agreement, (i) Aptium shall be entitled to receive all compensation earned by Aptium under the Consulting Agreement through the date of termination from Program Revenue, including without limitation, reimbursement of its Program

Operating Expenses (as defined in the Consulting Agreement) until such time as all Program Revenue securing Aptium's claims arising under, inter alia, the Consulting Agreement and Implementation Agreement have been collected and disbursed to Aptium and/or SVCMC (as their respective interests may appear therein) in accordance with the Pre-Petition Documents and the Aptium Agreement, respectively, and (ii) such portion of the Security Documents, and any other of the Pre-Petition Documents under which Aptium's first priority duly perfected security interest in and to the Cancer Center Receivables and Program Revenue arises, shall each remain in full force and effect solely with respect to, and to the extent necessary to preserve Aptium's security interests in such Cancer Center Receivables and Program Revenue, and such agreements shall be terminated only at such time as all Cancer Center Receivables and Program Revenue have been fully collected. Other than the preservation of any Aptium deficiency claim(s) as provided for in Paragraph 5 hereof for services rendered prior to the Transition Date, Aptium shall have no claims relating to the termination of the Pre-Petition Documents.

3. Payment for Services Rendered by Aptium Prior to the Transition Date. Subject to the provisions of Paragraph 5 hereof with respect to the preservation of any Aptium claim(s), and sections 1(b) and 2(a) of the Aptium Agreement, Aptium and SVCMC agree that any obligations due from SVCMC to Aptium for services rendered prior to Transition Date pursuant to the Pre-Petition Documents will be recovered solely from Program Revenue. In that regard, Aptium's claims for (i) services rendered pre-petition will be recovered from pre-petition Program Revenue and (ii) services rendered post-petition will be recovered from post-petition Program Revenue. Subject to the Aptium Agreement, and for the avoidance of doubt, payment(s) made by SVCMC to Aptium after the Petition Date and prior to entry of this Stipulation and Order from the Program Revenue then on deposit in the Blocked Account shall be applied by

Aptium in partial satisfaction of its pre-petition claims to the extent such Program Revenue relates to Cancer Center services rendered prior to the Petition Date. Such payment(s) are authorized hereby.

4. Deposit of Program Revenue in the Blocked Account. SVCMC will continue in the normal course to deposit Program Revenue in the Blocked Account and continue to provide Aptium with daily access to such Blocked Account as provided in the Forbearance Agreement. SVCMC further agrees that it shall continue to make, from Program Revenue deposited into the Blocked Account, the required bi-weekly payments to Aptium (whether pursuant to the Consulting Agreement, the Sublease or otherwise) for services rendered by Aptium prior to the Transition Date. The parties will allocate the subject payments as between pre/post-petition services and pre/post-petition Program Revenue consistent with the provisions of Sections 1(b) and 2(a) of the Aptium Agreement.

5. Aptium's Claims.

a. Aptium asserts that, as of the Petition Date, it was the holder of a claim in the aggregate amount of not less than \$23.5 million, together with such other fees, charges and other amounts accruing under the Pre-Petition Documents prior to the Petition Date and continuing through and including the Petition Date, pursuant to sections 506 and 552 of the Bankruptcy Code, which claim SVCMC has not had an opportunity to reconcile and verify. SVCMC and Aptium agree to work in good faith and with reasonable diligence to see if they can mutually agree upon an allowed pre-petition claim amount. In the event that they are unable to do so, each party reserves its rights as to the assertion and defense of any such claim as of the Petition Date. Notwithstanding the foregoing, SVCMC and Aptium agree that Aptium's claim, as of the Petition Date, for services rendered prior to the Petition Date, is equal to \$8.4 million

(the “**Aptium Agreed Pre-Petition Claim**”), together with such other fees, charges and other amounts accruing under the Pre-Petition Documents prior to the Petition Date and continuing through and including the Petition Date, pursuant to sections 506 and 552 of the Bankruptcy Code (including the Aptium Agreed Pre-Petition Claim, the “**Aptium Pre-Petition Claim**”). To the extent that the Program Revenue and Cancer Center Receivables are not sufficient to pay any allowed Aptium Pre-Petition Claim in full, then Aptium may assert an unsecured deficiency claim to the extent of any such shortfall. SVCMC and any other party in interest reserves the right to object to the amount of the Aptium Pre-Petition Claim in excess of the Aptium Agreed Pre-Petition Claim.

b. SVCMC and Aptium agree that Aptium shall be entitled to assert a claim for services rendered after the Petition Date against Program Revenue, together with such other fees, charges and other amounts accruing under the Pre-Petition Documents from and after the Petition Date and continuing through and including the Transition Date, as secured claims pursuant to sections 506 and 552 of the Bankruptcy Code (and subject to the provisions of sections 1(b) and 2(a) of the Aptium Agreement, the “**Aptium Post-Petition Claim**”). SVCMC and any other party in interest reserves the right to object to the amount of the Aptium Post-Petition Claim.

c. Aptium’s right to assert the Aptium Pre-Petition Claim and/or the Aptium Post-Petition Claim are subject to its obligations, and SVCMC’s rights, under the Pre-Petition Documents.

6. Validity of Aptium’s Security Interest.

a. SVCMC and Aptium agree that any allowed claims for the Aptium Pre-Petition Claim and the Aptium Post-Petition Claim, as determined by further order of the Court,

are entitled to be treated as secured by a valid, perfected, and unavoidable first priority security interest in the Program Revenue and Cancer Center Receivables as and to the extent provided for in the Pre-Petition Documents. Any such allowed claim(s) shall be entitled to be treated as allowed secured claim(s) pursuant to section 506(b) of the Bankruptcy Code for all purposes in connection with the within these chapter 11 cases as and to the extent of the value of such collateral as and to the extent provided for in the Pre-Petition Documents.

b. Any and all challenges by SVCMC or any other third party to the validity, priority or perfection of Aptium's security interests and liens in the Program Revenue and Cancer Center Receivables as and to the extent provided for in the Pre-Petition Documents shall be forever barred.

7. Sale Proceeds. The Debtors are authorized and directed to remit the "Net Sale Proceeds" to the Prepetition Agent on account of the Prepetition Obligations. As used in the foregoing sentence, "Net Sale Proceeds" shall mean the consideration payable by BIMC to the Debtors with respect to the transfer of the Debtors' interests in the Cancer Center after the payment of the Transaction Fee due and owing to the Debtors' investment banker arising from the transactions contemplated by herein. The amounts remitted to the Prepetition Agent pursuant to this paragraph (the "**Cancer Center Payments**") shall be applied by the Prepetition Agent and the Prepetition Lenders on account of the Prepetition Obligations in accordance with the underlying agreements and applicable law. Payment of the Cancer Center Payments shall not prejudice any rights of the Official Committee of Unsecured Creditors (the "**Committee**") to investigate, challenge or avoid any prepetition liens, claims or security interests of the Prepetition Agent and Prepetition Lenders pursuant to the provisions of the DIP Order.

8. DIP Agent Rights. The Court finds that (a) the Debtors' interests in the Cancer

Center are subject to a lien and security interest in favor of the DIP Agent for the benefit of the DIP Lenders, (b) by the terms of the DIP Order, the lien and security interest of the DIP Agent is junior in priority to any Permitted Prior Senior Liens, and (c) the DIP Agent and the DIP Lenders have consented to the transfer of the Debtors' interests in the Cancer Center free and clear of the liens of the DIP Agent, to remittance of the Net Sale Proceeds to the Prepetition Agent on account of its Permitted Prior Senior Lien. If this Court shall subsequently determine that the payments made to the Prepetition Agent pursuant to this Order are to be returned or disgorged, the lien of the DIP Agent shall immediately and automatically attach to such amounts in a first priority position.

9. Transaction Fee. The Debtors are authorized to pay the Transaction Fee to Cain Brothers upon the closing of the transactions contemplated herein; provided, however, that before the closing, the Court has entered an order approving the Debtors' Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014 for Authorization to Employ and Retain Cain Brothers & Company, LLC as Investment Bankers for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date (the "**Cain Retention Order**"), which authorizes the Debtors to pay the Transaction Fee; provided further, however, that payment of the Transaction Fee shall be subject to the terms of the Cain Retention Order.

10. Successors and Assigns. This Stipulation and Order shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, including, without limitation, any trustee who might be appointed in these chapter 11 cases or any subsequent chapter 7 or chapter 11 cases.

11. Counterparts. This Stipulation and Order may be executed by facsimile in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

12. Further Assurances. Each of the parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments and to take all such actions as the other parties may reasonably request to effectuate the intent and purposes and to carry out the terms of this Stipulation and Order. Each of the parties shall cooperate in the reasonable request of any other party hereto in connection with any matters relating to this Stipulation and Order.

13. Headings. Headings have been inserted in this Stipulation and Order as a matter of convenience for reference only and it is agreed that such headings are not a part of this Stipulation and Order and shall not be used in interpreting any provision of this Stipulation and Order.

14. Survival. Actions taken and payments received in accordance with this Stipulation and Order shall not be subject to reconsideration, reversal, or disgorgement, as the case may be, upon entry of an order: (i) confirming any plan of liquidation of the Debtor; (ii) confirming or appointing a trustee or examiner for the Debtor; or (iii) converting the Debtor's chapter 11 case to a case under chapter 7 of the Bankruptcy Code.

15. Authorization. Each person executing this Stipulation and Order on behalf of a party represents that such person is duly authorized and empowered to execute and deliver this Stipulation and Order on behalf of such party.

16. Entire Agreement. This Stipulation and Order (and the Cancer Center Transaction Agreements incorporated herein by reference) constitutes the entire agreement between and among the parties and there are no other understandings, representations, or agreements, oral or otherwise, concerning the agreement described in this Stipulation and Order.

17. Continuing Jurisdiction. The Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this

Stipulation and Order and the Cancer Center Transaction Agreements.

18. Severability. The illegality, invalidity, or unenforceability of any provision of this Stipulation and Order under the law of any jurisdiction shall not affect its legality, validity, or enforceability under the law of any other jurisdiction nor the legality, validity, or enforceability of any other provision.

19. Good Faith. Each of the BIMC Agreement, Aptium Agreement and the terms of this Stipulation and Order were negotiated and proposed in good faith and at arm's length bargaining positions among the parties hereto and thereto, and without collusion, within the meaning of section 363(m) of the Bankruptcy Code. As a result, each of Aptium and BIMC are entitled to the protections of section 363(m) of the Bankruptcy Code.

20. Waiver and Modification. Except as expressly provided herein, this Stipulation and Order may not be modified, except in a writing signed by the parties hereto, which modification, if material in the discretion of Aptium, BIMC, and the Debtor, shall be subject to the approval of the Bankruptcy Court.

21. Participation in Drafting. Each party has participated in, or contributed to, the drafting and preparation of this Stipulation and Order. In any construction of this Stipulation and Order, the provisions shall not be construed for, or against, any party, but shall be construed according to their plain meaning.

22. Waiver of Stay. The provisions of Bankruptcy Rules 6004(h) staying the effectiveness of this Order for ten (10) days are hereby waived, and this Order shall be effective immediately upon entry thereof.

Dated: May 20, 2010
New York, New York

Stipulated and Agreed:

EPSTEIN BECKER & GREEN P.C.

**KRAMER LEVIN NAFTALIS & FRANKEL
LLP**

By: /s/ Steven E. Fox
Steven E. Fox

By: /s/ Adam C. Rogoff
Adam C. Rogoff

250 Park Avenue
New York, New York 10177
Telephone: (212) 351-5500

1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100

Attorneys for Aptium W. New York, Inc.

Counsel for Debtors and Debtors in Possession

PROSKAUER ROSE LLP

By: /s/ Richard Zall
Richard Zall

1585 Broadway
New York, New York 10036
(212) 969-3000

Attorneys for Beth Israel Medical Center

SO ORDERED THIS ____ DAY OF ____, 2010:

THE HONORABLE CECILIA G. MORRIS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT “A”

BIMC Agreement

TERM SHEET

Term Sheet, dated as of April 29, 2010, by and between SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK ("SVC MC") and BETH ISRAEL MEDICAL CENTER ("BIMC").

The purpose of this Term Sheet is to set forth the basic terms regarding BIMC purchasing certain assets from SVC MC relating to SVC MC's cancer center located at 111 Eighth Avenue, New York, New York 10011 (the "Cancer Center").

1. Asset Sale. SVC MC will sell/transfer the following assets relating to the Cancer Center to BIMC:

(a) Goodwill, books and records, policy and procedure manuals, such third party contracts (relating exclusively to the Cancer Center) as BIMC desires to assume, client lists, patient records to the extent transferable, and other intangibles;

(b) "Article 28 license"/ right to operate a cancer site at the site of the Cancer Center and backing of SVC MC to transfer the site to BIMC; and

(c) Right to employ the physicians and other staff currently employed by SVC MC who provide services at the Cancer Center.

2. Purchase Price. The purchase price will consist of a five million dollar (\$5,000,000) payment from BIMC to SVC MC.

3. Other Terms.

(a) SVC MC and Aptium will consensually terminate the Second Amended Restated Consulting and Administrative Services Agreement, as clarified, between SVC MC and Aptium W. New York, Inc. ("Aptium") effective April 11, 1996 (the "Consulting Agreement").

(b) SVC MC and Aptium will consensually terminate the Sublease Agreement, as amended, between SVC MC and Aptium relating to the space at which the Cancer Center is located (the "Sublease").

(c) Aptium will agree that any obligations due from SVC MC to Aptium (whether pursuant to the Consulting Agreement, the Sublease or otherwise) for services rendered prior to termination of these agreements will be recovered solely from Cancer Center program revenues deriving from such services (the "Revenues"). In that regard, Aptium's claims for (i) prepetition services rendered will be recovered from prepetition Revenue and (ii) postpetition services rendered will be recovered from postpetition Revenues. Any claims Aptium makes above and beyond the Revenues will be treated as unsecured claims subject to the bankruptcy process.

4. Exclusivity. Each party agrees that, until the close of business on May 13, 2010, it will not, and will not authorize or permit any of its representatives or agents to, directly or

indirectly, initiate contact with, negotiate with or enter into any agreement, term sheet or letter of intent with any other person or entity regarding the subject matter of this Term Sheet.

5. Binding Term Sheet. This Term Sheet is a binding statement of the parties' intent. The transaction will be subject to bankruptcy court approval, approval of the New York State Department of Health and the completion of definitive documentation between BIMC and Aptium.

6. Miscellaneous. This Term Sheet may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one (1) and the same document. This Term Sheet shall be effective upon the exchange by facsimile of executed signature pages. This Term Sheet shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law). All claims and disputes with respect to this Term Sheet shall be resolved exclusively in the state or federal courts sitting in the State of New York.

The parties hereby execute this Term Sheet as of the date set forth above.

SAINT VINCENTS CATHOLIC MEDICAL CENTERS
OF NEW YORK

By: Mark E. Toney
Name: MARK E. TONEY
Title: Chief Restructuring Officer

BETH ISRAEL MEDICAL CENTER

By: _____
Name: _____
Title: _____

indirectly, initiate contact with, negotiate with or enter into any agreement, term sheet or letter of intent with any other person or entity regarding the subject matter of this Term Sheet.

5. Binding Term Sheet. This Term Sheet is a binding statement of the parties' intent. The transaction will be subject to bankruptcy court approval, approval of the New York State Department of Health and the completion of definitive documentation between BIMC and Aptium.

6. Miscellaneous. This Term Sheet may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one (1) and the same document. This Term Sheet shall be effective upon the exchange by facsimile of executed signature pages. This Term Sheet shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law). All claims and disputes with respect to this Term Sheet shall be resolved exclusively in the state or federal courts sitting in the State of New York.

The parties hereby execute this Term Sheet as of the date set forth above.

SAINT VINCENTS CATHOLIC MEDICAL CENTERS
OF NEW YORK

By: _____
Name:
Title:

BETH ISRAEL MEDICAL CENTER

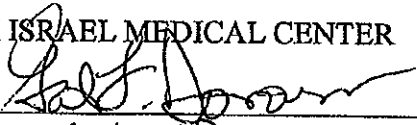
By: 
Name: Gail F. Donohue
Title: Sr. VP

EXHIBIT “B”

Aptium Agreement

AGREEMENT

Agreement, dated as of May 19, 2010, by and between SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK ("SVC MC") and APTIUM W. NEW YORK, INC. ("Aptium"). SVC MC and Aptium are collectively referred to herein as the "Parties".

The purpose of this Agreement is to set forth the basic terms regarding the Parties' consent to transfer operations of the cancer center located at 111 Eighth Avenue, New York, New York 10011 (the "Cancer Center") to BETH ISRAEL MEDICAL CENTER ("BIMC"). SVC MC and BIMC have executed a Term Sheet for BIMC to acquire SVC MC's interest in the Cancer Center. Aptium and BIMC, in turn, have an agreement in principle for Aptium and BIMC to enter into one or more new agreements relating to operation of the Cancer Center following the consensual termination of agreements between Aptium and SVC MC for the Cancer Center. The first day of actual operations of the Cancer Center under BIMC's license, which the parties agree to work in good faith to have occur as soon as possible following the bankruptcy court approval, but in no event shall be later than June 30, 2010, shall be referred to herein as the "Transition Date".

1. Consent to Transaction.

(a) In furtherance of (i) the transfer of operations of the Cancer Center to BIMC and (ii) Aptium's entry into one or more new agreements with BIMC relating to the Cancer Center, on the Transition Date, SVC MC and Aptium will consensually terminate the Second Amended Restated Consulting and Administrative Services Agreement, as amended, between SVC MC and Aptium W. New York, Inc effective April 11, 1996 (the "Consulting Agreement") and the Sublease Agreement, as amended, between SVC MC and Aptium relating to the space at which the Cancer Center is located (the "Sublease" together with Consulting Agreement, the "Agreements"). Notwithstanding the termination of the Consulting Agreement and Sublease as provided for herein, any and all rights or obligations between and among Aptium and SVC MC, solely for periods/dates of services through the Transition date, arising under the Agreements or Implementation Agreement shall survive until such time as all amounts due Aptium thereunder and hereunder for such periods/dates of service shall have been paid.

(b) The parties agree that any obligations due from SVC MC to Aptium (whether pursuant to the Consulting Agreement, the Sublease or otherwise) for services rendered prior to Transition Date will be recovered solely from Cancer Center Program Revenue (as such term is defined in the Consulting Agreement). In that regard, subject to Section 2(a) below, Aptium's claims for (i) services rendered pre-petition will be recovered from pre-petition Program Revenue and (ii) services rendered post-petition will be recovered from post-petition Program Revenue. Subject to Section 2(a), any claims Aptium makes above and beyond Program Revenue for services rendered prior to the petition date will be treated as unsecured claims subject to the bankruptcy process.

(c) The parties will continue in the normal course to deposit Program Revenue in the Blocked Account (as defined in the Implementation Agreement between the Parties) and provide daily access to such Blocked Account as provided in the Forbearance Agreement between the Parties. SVC MC further agrees that it shall continue to make, solely

from Cancer Center Program Revenue deposited into the Blocked Account, the required bi-weekly payments to Aptium (whether pursuant to the Consulting Agreement, the Sublease or otherwise) for services rendered by Aptium prior to the Transition Date. The parties will allocate the subject payments as between pre/post-petition services and pre/post-petition Cancer Center Program Revenue consistent with the provisions of Section 1(b) above.

2. Cooperation. The parties will use their reasonable best efforts to cooperate with each other to facilitate the termination of the Agreements and the transition of the Cancer Center services from SVCMC to BIMC, including, but not limited to, providing the following services:

(a) Through the Transition Date and solely to the extent funds are available from Program Revenue received after the petition date for postpetition services provided at the Cancer Center, provided, however, that if the Program Revenue received after the petition date on account of postpetition services are not received in time to make the payments set forth herein as and when required, then notwithstanding anything to the contrary (if anything) contained in either (i) the Consulting Agreement, Implementation Agreement or other agreement between and among Aptium and SVCMC, and/or (ii) Section 552 of the Bankruptcy Code, (x) the Debtors can use Program Revenue received after the petition date relating to the providing of prepetition services to pay such amounts, and (y) Aptium shall be entitled to utilize a portion of Program Revenue received after the petition date relating to post-petition services as a credit for prepetition Program Revenue amounts utilized by SVCMC in accordance with this Section 2(a), which credit amounts may then be used by Aptium in partial satisfaction of its pre-petition claims; SVCMC shall (i) continue to employ existing employees (to the extent agreeable to the employee and except with regard to employees whom Aptium and BIMC request in writing that SVCMC no longer continue to employ) and (ii) with respect to such employees, continue to pay (in the normal course) compensation (which may include base and/or productivity compensation in accordance with the compensation paid prior to the bankruptcy) and provide benefits, including malpractice coverage, for staff currently working at the Cancer Center as employees of SVCMC (such staff includes, without limitation, physicians, nurses, nurse practitioners, fellows, and research study specialists). SVCMC shall further cooperate in the transition of employment of such staff to BIMC (to the extent agreeable to BIMC and the staff).

(b) Through the Transition Date, SVCMC shall provide blood bank services and film badge services for the operation of on-site radiology services and laboratory services at the Cancer Center.

(c) SVCMC shall maintain through the Transition Date and thereafter provide access to and reports from data stored in its IT systems utilized with respect to the Cancer Center, including without limitation, interfaces to its Invision system for patient registration, patient accounting systems including cash receipt reports, Softlab and Softpath for laboratory/pathology reports and Radiology PACS system),

(d) Through the Transition Date, SVCMC shall provide access, electrical and HVAC on SVCMC premises for the items relating to Cancer Center patients or operations which are currently located at MDS Labs, Cronin 8 and Coleman 3 Stem Cell Lab/Storage, including deliveries of liquid nitrogen until such time as such bone marrow/stem cell and MDS programs is fully transferred to another hospital provider;

(e) Through the Transition Date, SVCMC shall maintain existing payor contracts in place as they relate to Cancer Center professional and facility services;

(f) Through the Transition Date, SVCMC shall maintain any and all licenses, permits and agreements including, without limitation, Pharmacy, 340b Program, Radioactive Materials and Laboratory (collectively, "Licenses") required to perform and bill for those services and otherwise operate the Cancer Center program.

(g) Subject to Aptium providing evidence of direct payment for, and/or reimbursement for payments made by SVCMC, SVCMC shall cooperate in the removal and/or relocation of any and all equipment acquired by Aptium currently located in non-Cancer Center space;

(h) Aptium shall cooperate with SVCMC in the removal of any equipment, supplies or other items owned or acquired by SVCMC which are located in Cancer Center space;

(i) Subject to Aptium providing evidence of direct payment for, and/or reimbursement for payments made by SVCMC, SVCMC shall execute a quit claim bill of sale to clarify title to the GE Discovery ST-8 PET CT System, GE system ID 212367DST, PSI - PRWBG8 which acquisition was funded by Aptium;

(j) SVCMC shall cooperate with and facilitate physician credentialing files for access to them for review by BIMC, to the extent permitted by law;

(k) SVCMC shall cooperate with and facilitate an orderly transfer of the medical records relating to services in the Cancer Center (but not inpatient or other records) of active Cancer Center patients to BIMC, to the extent permitted by law; and

(l) SVCMC shall permit Aptium to continue to provide billing and collection services on behalf of the Hospital immediately following the Transition Date for services rendered by the Cancer Center prior to the Transition Date, and, subject to Aptium paying all costs, fees or expenses associated therewith, cooperate in the pursuit and/or assignment of outstanding claims against Oxford for systemic underpayment for cancer care services and any other significant third party payor dispute.

3. Conditions Precedent to Effectiveness

(a) Required Approvals.

(i) The effectiveness and binding nature of the transactions provided for in this Agreement shall be subject in all respects to the issuance and entry of a final order of the Bankruptcy Court having jurisdiction over the chapter 11 cases of SVCMC and its affiliates.

(ii) The effectiveness and binding nature of the transactions provided for in this Agreement shall be subject in all respects to approval of the New York State Department of Health.

(iii) Not later than five (5) business days after the execution and delivery of this Agreement by the Parties, SVCMC shall file an expedited/emergency motion with the Bankruptcy Court having jurisdiction over the chapter 11 cases of SVCMC and its affiliates seeking the issuance and entry of an order, inter alia, authorizing and approving the transactions described herein ("Approval Order"). Any Approval Order shall: (x) include acknowledgements and stipulations confirming, inter alia, the validity, enforceability and due perfection of Aptium's liens and security interests granted by SVCMC for the benefit of Aptium in, to and upon the Program Revenues; and (y) provide for a waiver of any stay under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure. Notwithstanding any condition of closing that the Approval Order be a final order, nothing shall preclude the parties from consummating the transactions contemplated by the Agreement if the parties mutually agree to waive such condition that the Approval Order shall have become a final order.

(b) Stipulation.

(i) It is the intent of the Parties to enter into a stipulation incorporating the terms of this Agreement, the form and substance of which shall be reasonably satisfactory to the Parties. The aforementioned stipulation shall include (x) usual and customary acknowledgements and stipulations confirming, inter alia, the validity, enforceability, and due perfection of Aptium's liens and security interests granted by SVCMC for the benefit of Aptium in, to and upon the Program Revenues and (y) an acknowledgement and stipulation by SVCMC confirming that (i) the payment made by SVCMC to Aptium on May 3, 2010 and (ii) the payment scheduled to be made on or about May 15, 2010 from Program Revenues then on deposit in the Blocked Account shall be applied by Aptium in partial satisfaction of its prepetition secured claim in accordance with Section 1(b) above.

(ii) The effectiveness and binding nature of the transactions provided for in this Agreement shall further be subject in all respects to the execution, delivery and consummation by SVCMC and BIMC of that separate agreement between SVCMC and BIMC (under which SVCMC is transferring its interests in the Cancer Center to BIMC).

4. Miscellaneous. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one (1) and the same document. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law). All claims and disputes with respect to this Agreement shall be resolved exclusively in the state or federal courts sitting in the State of New York.

The parties hereby execute this Agreement as of the date set forth above.

SAINT VINCENTS CATHOLIC
MEDICAL CENTERS OF NEW YORK

By: Mark E. Toney
Name: MARK E. TONEY
Title: Chief Restructuring Officer

APTUM W. NEW YORK, INC.

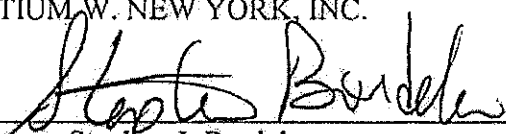
By: _____
Name: Stephen J. Bordelon
Title: EVP, Business Development

The parties hereby execute this Agreement as of the date set forth above.

SAINT VINCENTS CATHOLIC
MEDICAL CENTERS OF NEW YORK

By: _____
Name:
Title:

APTUM W. NEW YORK, INC.

By: 
Name: Stephen J. Bordelon
Title: EVP, Business Development