

**EXECUTION VERSION**

ASSET PURCHASE AGREEMENT

AMONG

MSMC INVESTORS, LLC

MSMC HOMECARE, LLC

MSMC HOSPICE, LLC

MSMC REALTY, LLC

AND

BLUE ISLAND ILLINOIS HOLDINGS, LLC

AND

CHS/COMMUNITY HEALTH SYSTEMS, INC.

## TABLE OF CONTENTS

1.	SALE OF ASSETS AND CERTAIN RELATED MATTERS.....	1
1.1	Definitions.....	1
1.2	Sale of Assets.....	10
1.3	Excluded Assets.....	12
1.4	Assets Free and Clear; Assignment and Assumption Agreement; Assignment and Undertaking Agreement.....	12
1.5	Excluded Liabilities.....	13
1.6	Purchase Price.....	14
1.7	Post-Closing Adjustments.....	15
1.8	Taxes.....	16
1.9	Tax Obligations.....	17
1.10	Cooperation With Respect to Taxes.....	17
1.11	Reserved.....	18
1.12	Casualty Loss Provision.....	18
2.	CLOSING.....	18
2.1	Closing.....	18
2.2	Actions of Sellers at Closing.....	18
2.3	Actions of Buyer at Closing.....	20
3.	REPRESENTATIONS AND WARRANTIES OF SELLERS.....	20
3.1	Existence and Capacity.....	20
3.2	Powers; Consents; Absence of Conflicts With Other Agreements.....	21
3.3	Binding Agreement.....	21
3.4	Financial Statements.....	21
3.5	Certain Post-Balance Sheet Results.....	22
3.6	Licenses.....	22
3.7	Medicare Participation/Accreditation.....	23
3.8	Regulatory and Information Privacy/Security Compliance.....	24
3.9	Real Property.....	24
3.10	Title and Condition of the Assets and Real Property.....	25
3.11	Benefit Plans.....	25
3.12	Litigation or Proceedings.....	26
3.13	Hill-Burton and Other Liens.....	27
3.14	Taxes.....	27
3.15	Employee Relations.....	27
3.16	Agreements and Commitments.....	29
3.17	Supplies.....	29
3.18	Insurance.....	29
3.19	Third Party Payor Cost Reports.....	30
3.20	Compliance Program.....	30
3.21	Environmental Matters.....	30
3.22	Intellectual Property Rights.....	31
3.23	Disclaimer of Warranties.....	31
3.24	Certificates of Need.....	31
3.25	Medical Staff Matters.....	32
3.26	Receivables.....	32
3.27	Experimental Procedures.....	32

4.	REPRESENTATIONS AND WARRANTIES OF BUYER.....	32
4.1	Capacity.....	33
4.2	Binding Agreement.....	33
4.3	Powers; Consents; Absence of Conflicts With Other Agreements.....	33
4.4	Brokers.....	33
4.5	Litigation.....	34
4.6	Sufficient Funds.....	34
4.7	Solvency.....	34
5.	COVENANTS PRIOR TO CLOSING.....	34
5.1	Consents and Approvals.....	34
5.2	Notification of Certain Matters.....	35
5.3	Negative Covenants of Buyer.....	35
5.4	Negative Covenants of Sellers.....	35
5.5	Conduct of the Hospital Operations.....	36
5.6	Title and Survey.....	37
5.7	Access to the Real Property.....	38
5.8	Sellers' Efforts to Close.....	38
5.9	Buyer's Efforts to Close.....	38
5.10	Exclusivity.....	38
5.11	Additional Financial Information.....	39
5.12	Insurance Ratings.....	39
5.13	Tail Insurance.....	39
5.14	Medical Staff Disclosure.....	39
6.	INDEMNIFICATION.....	39
6.1	Indemnity by Buyer.....	39
6.2	Indemnity by Sellers.....	40
6.3	Procedure for Indemnification – Non Third Party Claims.....	41
6.4	Limitations.....	42
6.5	Survival Period.....	42
7.	CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER.....	42
7.1	Representations.....	43
7.2	Pre-Closing Confirmations.....	43
7.3	Action/Proceeding.....	43
7.4	HSR Filings.....	43
7.5	Delivery of Certain Documents.....	43
7.6	No Investigation.....	43
7.7	Title Policy.....	43
7.8	Adverse Change.....	44
7.9	Insolvency.....	44
7.10	Material Consents.....	44
7.11	Surveys and Reports.....	44
8.	CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS.....	45
8.1	Representations.....	45
8.2	Pre-Closing Confirmations.....	45
8.3	Action/Proceeding.....	45
8.4	HSR Filings.....	45
8.5	Delivery of Certain Documents.....	45
8.6	No Investigation.....	45
9.	PARTICULAR COVENANTS OF BUYER.....	46
9.1	Capital Expenditures.....	46

9.2	Employees .....	46
9.3	Local Governing Board.....	46
9.4	Continued Operation of Hospital .....	47
9.5	Maintenance of Core Services.....	47
9.6	Charity Care .....	47
9.7	Medical Staff.....	47
9.8	Access to Records including as to Recovery and Audit Information .....	47
10.	PARTICULAR COVENANTS OF SELLERS .....	47
10.1	Terminating Cost Report .....	47
10.2	Use of Controlled Substance Permits .....	48
10.3	Quality Reporting .....	48
10.4	Sellers' Covenant Not to Compete.....	48
11.	TERMINATION.....	49
11.1	Optional Termination .....	49
11.2	Notice of Abandonment.....	50
11.3	Effect of Termination .....	50
12.	GENERAL.....	50
12.1	Supplements to Schedules .....	50
12.2	Additional Assurances.....	50
12.3	Consents, Approvals and Discretion .....	51
12.4	Waiver of Jury Trial .....	51
12.5	Governing Law .....	51
12.6	Legal Fees and Costs .....	51
12.7	Benefit/Assignment .....	51
12.8	Finders, Brokerage.....	51
12.9	Cost of Transaction.....	52
12.10	Confidentiality .....	52
12.11	Preservation and Access to Records After the Closing .....	53
12.12	Waiver .....	53
12.13	Tax Allocation .....	53
12.14	Interpretation .....	53
12.15	Notice.....	54
12.16	Severability .....	54
12.17	Gender and Number.....	54
12.18	Divisions and Headings.....	55
12.19	Consented Assignment.....	55
12.20	Survival.....	55
12.21	Misdirected Payments.....	55
12.22	No Third-Party Beneficiaries.....	55
12.23	Entire Agreement/Amendment.....	55
12.24	Counterparts.....	56
12.25	Risk of Loss .....	56
12.26	Press Releases.....	56
12.27	Enforcement of Agreement .....	56
12.28	Closing Subject to Approval of Illinois Health Facilities and Services Review Board .....	56
12.29	Transfer of Custody of Medical and Business Records .....	56
12.30	Waiver of Bulk Sales Compliance.....	57
12.31	CHS Guaranty .....	57
12.32	Transition Patients .....	57
12.33	Collection of Receivables and Processing of Accounts Payable.....	58

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of the 9<sup>th</sup> day of December, 2011 (the "Signing Date"), by and among MSMC Investors, LLC, a Delaware limited liability company ("Hospital"), MSMC Homecare, LLC, a Delaware limited liability company ("Homecare"), MSMC Hospice, LLC, a Delaware limited liability company ("Hospice"), and MSMC Realty, LLC, a Delaware limited liability company ("Realty", together with Hospital, Homecare and Hospice, collectively, the "Sellers"), Blue Island Illinois Holdings, LLC, a Delaware limited liability company ("Buyer"), and CHS/Community Health Systems, Inc., a Delaware corporation ("CHS").

### WITNESSETH:

WHEREAS, this Agreement provides for the sale by Sellers to Buyer of substantially all of the assets, real and personal, tangible and intangible, associated with owning, leasing, managing and operating the Facilities (collectively, the "Business") and having Buyer assume certain liabilities of Sellers. CHS is a party to this Agreement for purposes of guaranteeing the obligations of Buyer as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and the agreements, covenants, representations and warranties hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of all of which are acknowledged and agreed, the parties hereto agree as follows:

#### 1. SALE OF ASSETS AND CERTAIN RELATED MATTERS.

1.1 Definitions. Unless otherwise indicated in this Agreement, the following terms shall have the following meanings:

"Accountant" shall have the meaning set forth in Section 1.7(d).

"Accounts Payable" shall have the meaning set forth in Section 1.5(k).

"Actual Real Estate Tax Liability" shall have the meaning set forth in Section 1.9(b).

"Acquisition Transaction" shall have the meaning set forth in Section 5.10.

"Affiliates" shall mean, as to the entity in question, any person or entity that, directly or indirectly, Controls, is Controlled by or is under common Control with the entity in question.

"Agents" shall have the meaning set forth in Section 12.10.

"Aggregate Damage" shall have the meaning set forth in Section 1.12(a).

"Agreement" shall have the meaning set forth in the introduction.

"ALTA" shall mean the American Land Title Association.

"Assets" shall have the meaning set forth in Section 1.2.

"Assignment and Assumption Agreement" shall have the meaning set forth in Section 1.4(b).

"Assignment and Undertaking Agreement" shall have the meaning set forth in Section 1.4(c).

"Assumed Contracts" shall have the meaning set forth in Section 1.2(h).

"Assumed Leases" shall mean, collectively, the operating leases set forth on Schedule 1.1(a) (the "Assumed Operating Leases"), the capital leases set forth on Schedule 1.1(b) (the "Assumed Capital Leases"), the Sellers' Real Property Expense Leases and the Sellers' Real Property Income Leases.

"Assumed Liabilities" shall have the meaning set forth in Section 1.4(a).

"Balance Sheet Date" shall mean September 30, 2011.

"Benefit Plans" shall mean all "employee benefit plans" as defined in ERISA, all specified fringe benefit plans as defined in Section 6039D of the Code, and all other pension, profit sharing, stock bonus, stock option, deferred compensation, or other retirement plans; welfare benefit plans, including group health and group insurance plans; cafeteria, flexible benefit or tuition assistance plans; executive compensation, bonus, or incentive plans; severance plans; salary continuation plans, programs, or arrangements; vacation, holiday, sick-leave, paid time-off or other employee compensation plans, procedures, programs, payroll practices, policies, agreements, commitments, contracts, or understandings; or any annuity contracts, custodial agreements, trusts, escrows or other funding arrangements related thereto, whether oral or written, qualified or nonqualified, funded or unfunded, and all employment agreements, programs, policies or other arrangements.

"Bill of Sale" shall have the meaning set forth in Section 2.2(d).

"Business" shall have the meaning set forth in the recitals.

"Buyer" shall have the meaning set forth in the introduction.

"Buyer Indemnified Parties" shall have the meaning set forth in Section 6.1(a).

"Casualty Assets" shall have the meaning described in Section 1.12(b).

"Casualty Notice" shall have the meaning set forth in Section 1.12(a).

"Certificate of Need Permit" means the Certificate of Need permit or exemption issued by the Illinois Planning Facilities Board pursuant to a joint application by Buyer and Sellers.

"CHS" means CHS/Community Health Systems, Inc., a Delaware corporation.

"Closing" shall have the meaning set forth in Section 2.1.

"Closing Date" shall have the meaning set forth in Section 2.1.

"Closing Working Capital" shall have the meaning set forth in Section 1.7(a).

"Closing Working Capital Statement" shall have the meaning set forth in Section 1.7(a).

"CMS" shall mean Centers for Medicare and Medicaid Services.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Competing Business" shall have the meaning set forth in Section 10.4.

"Confidential Information" shall have the meaning set forth in Section 12.10.

"Contracts" shall have the meaning set forth in Section 3.16(a).

"Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any entity, whether through the ownership of voting securities, holding a membership interest, by contract or otherwise.

"Damages" shall have the meaning set forth in Section 6.1(a).

"Disputed Items" shall have the meaning set forth in Section 1.7(d).

"Disputed Items Notice" shall have the meaning set forth in Section 1.7(d).

"DRG Transition Patients" shall have the meaning set forth in Section 12.32(a).

"Effective Date" shall have the meaning set forth in Section 2.1.

"Effective Time" shall have the meaning set forth in Section 2.1.

"Employee" shall include individuals rendering personal services to Sellers with respect to the Business or the Facilities as employees, including individuals who are treated as "leased employees" under Code Section 414(n).

"Environmental Claim" means any written claim, action, cause of action, or notice by any person or entity alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (a) the currently unlawful presence, or currently unlawful release into the environment, of any Material of Environmental Concern at any location which is or has been owned or leased by the Sellers and is being sold to the Buyer or for which the Buyer is assuming a lease or operated by Sellers or (b) any violation, or alleged violation, of any Environmental Law.

"Environmental Laws" means the applicable federal, state (including specifically, but not by way of limitation, the State of Illinois), and local environmental, or health laws,

regulations, ordinances, rules and common law in effect on the date hereof and the Closing Date governing the use, refinement, handling, treatment, removal, storage, production, manufacture, transportation or disposal, emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise governing protection of the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), as the same may be amended or modified to the date hereof and the Closing Date, including, without limitation, the statutes listed below:

- (a) Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq.;
- (b) Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601, et seq.;
- (c) Federal Clean Air Act, 42 U.S.C. Section 7401, et seq.;
- (d) Federal Water Pollution Control Act, Federal Clean Water Act of 1977, 33 U.S.C. Section 1251, et seq.;
- (e) Federal Insecticide, Fungicide, and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136, et seq.;
- (f) Federal Hazardous Materials Transportation Act, 48 U.S.C. Section 1801, et seq.;
- (g) Federal Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq.;  
and
- (h) Federal Safe Drinking Water Act, 42 U.S.C. Section 300f, et seq.

"ERISA" shall mean, collectively, the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"Exclusivity Period" shall have the meaning set forth in Section 5.10.

"Escrow Agent" shall have the meaning set forth in Section 1.6(c).

"Escrow Agreement" shall mean that certain escrow agreement dated as of the Closing Date by and among Sellers, Buyer and the Escrow Agent.

"Escrow Release Date" shall have the meaning set forth in Section 1.6(c).

"Estimate" shall have the meaning set forth in Section 1.12(a).

"Estimated Working Capital" shall have the meaning set forth in Section 1.6(b).

"Excluded Assets" shall have the meaning set forth in Section 1.3.

"Excluded Liabilities" shall have the meaning set forth in Section 1.5.

"Existing TI Obligations" shall mean tenant improvement expenses (including all hard and soft construction costs, whether payable to the contractor or tenant) and tenant allowances which are the obligation of the landlord under any of Sellers' Real Property Income Leases.

"Facilities" (each individually a "Facility") shall mean the 410 licensed bed general acute care hospital and the adjacent medical office building located in Blue Island, Illinois owned by Hospital, the homecare business owned by Homecare and the hospice business owned by Hospice.

"Financial Statements" shall have the meaning set forth in Section 3.4.

"FTC" shall mean the Federal Trade Commission.

"FTC Red Flag Rules" shall mean the regulations set forth in 16 CFR Part 681.

"GAAP" shall mean accounting principles generally accepted in the United States.

"Government Reimbursement Programs" shall mean Medicare, Medicaid and TRICARE and any other federal or state healthcare programs.

"Hazardous Substances" means any toxic or hazardous waste, pollutants or substances, including without limitation asbestos, PCBs, petroleum products and byproducts, substances defined or listed as "hazardous substance," "toxic substance," "toxic pollutant," or similarly identified substance or mixture, in or pursuant to any Environmental Law.

"Health Care Laws" shall mean Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient Referrals Act, as amended (the "Stark Law"), 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA and all applicable implementing regulations, rules, ordinances, judgments, and orders; and any similar state and local statutes, regulations, rules, ordinances, judgments, and orders, and any corresponding Illinois state statutes and applicable implementing regulations that address the subject matter of the foregoing.

"Healthcare Providers" means physicians or other healthcare providers that provide healthcare services reimbursable by federal or private healthcare plans, or entities in which physicians or other healthcare providers are equity owners, or other persons or entities treated as referral sources under applicable Health Care Laws.

"HHS" shall mean the United States Department of Health and Human Services.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations as amended by the Health Information Technology for Economic and Clinical Health Act.

"Hill-Burton Act" shall mean The Hospital Survey and Construction Act, 42 U.S.C. Section 291(i).

"Homecare" shall have the meaning set forth in the introduction.

"Hospice" shall have the meaning set forth in the introduction.

"Hospital" shall have the meaning set forth in the introduction.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder.

"Indemnity Escrow" shall have the meaning set forth in Section 1.6(c).

"Information Privacy or Security Laws" means HIPAA and regulations as set forth in Section 3.8(b) and any other laws concerning the privacy and/or security of Personal Information, including but not limited to state data breach notification laws, state health information privacy and security laws, the FTC Act, the FTC Red Flag Rules and state consumer protection laws.

"Interim Billings" shall have the meaning set forth in Section 12.32(b).

"IRS" shall mean the Internal Revenue Service.

"Joint Commission" shall mean The Joint Commission, an accrediting agency for healthcare organizations.

"Justice Department" shall mean the United States Department of Justice.

"Knowledge" or "knowledge" shall mean (a) all matters with respect to which any of the Sellers have received written notice or (b) the actual knowledge of the executive officers of the Facilities.

"Lien" means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, put, call, easement, servitude, proxy, voting trust or agreement and transfer restriction under any agreement.

"Material Adverse Effect" shall mean an event, occurrence, condition, change or effect or a series of events, occurrences, conditions, changes or effects that, individually or in the aggregate, is or may be reasonably expected, to be materially adverse to the business, financial condition, operations or properties of the person or business which has suffered such event, occurrence, condition, change or effect, including but not limited to the loss of any provider number; provided, however, that Material Adverse Effect shall exclude any changes or conditions as and to the extent such changes or conditions relate to or result from general economic conditions in the United States of America, and/or such other conditions that affect the healthcare industry generally. For purposes hereof, an event, occurrence, condition, change or effect or a series of events, occurrences, conditions, changes or effects which has resulted or could reasonably be expected to result in a suit, action, charge, claim, demand, cost, damage, penalty, fine or liability of less than \$2,000,000 shall not constitute a Material Adverse Effect.

"Material Loss" shall have the meaning set forth in Section 1.12(b).

"Materials of Environmental Concern" shall mean chemicals, pollutants, contaminants, wastes, toxic substances, petroleum and petroleum products, including Hazardous Substances.

"Medical Waste" includes, but is not limited to, (a) pathological waste, (b) blood, (c) sharps, (d) wastes from surgery or autopsy, (e) dialysis waste, including contaminated disposable equipment and supplies, (f) cultures and stocks of infectious agents and associated biological agents, (g) contaminated animals, (h) isolation wastes, (i) equipment contaminated with Medical Waste which cannot be decontaminated in the ordinary course of business, (j) laboratory waste and (k) various other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings or animals. "Medical Waste" also includes any substance, pollutant, material or contaminant listed or regulated as "Medical Waste," "Infectious Waste," or other similar terms by federal, state, regional, county, municipal or other local laws, regulations and ordinances insofar as they regulate Medical Waste or impose requirements relating to Medical Waste and includes "Regulated Waste" governed by the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*

"Net Working Capital" shall mean an amount equal to the value of certain current assets less certain current liabilities, the categories of which are listed on Schedule 1.6, as of the applicable balance sheet date.

"New Encumbrances" shall have the meaning set forth in Section 5.6.

"PCBs" shall mean polychlorinated biphenyls.

"Personal Information" means any information with respect to which there is a reasonable basis to believe that the information can be used to identify an individual, including without limitation "individually identifiable health information" as defined in 45 C.F.R. 160.103, demographic information, and social security numbers.

"PIP" shall have the meaning set forth in Section 12.32(c).

"Post-Closing Accounts Receivable" shall have the meaning set forth in Section 12.33(c).

"Post-Closing Adjustment" shall have the meaning set forth in Section 1.7(a).

"Post-Closing Payments" shall have the meaning set forth in Section 12.21.

"Post-Closing Tax Period" shall have the meaning set forth in Section 1.9.

"Pre-Closing Tax Period" shall have the meaning set forth in Section 1.9.

"Prepaid Expenses" shall have the meaning set forth in Section 1.2(j).

"Provider Agreements and Numbers" shall mean the agreements and corresponding provider number of each Seller, if any, to participate (i) in the Medicaid program in Illinois and (ii) in Medicare as a "provider" as such term is defined in 42 C.F.R. Section 400.202.

"Providing Party" shall have the meaning set forth in Section 12.10.

"Purchase Price" shall have the meaning set forth in Section 1.6.

"RAC" means Recovery Audit Contractors.

"Real Estate Taxes" shall have the meaning set forth in Section 1.9(b).

"Real Property" shall mean, collectively, the Sellers' Owned Real Property and the Sellers' Leased Real Property.

"Real Property Permitted Encumbrances" shall mean (i) all Liens for Taxes and assessments not yet due and payable, (ii) the Sellers' Real Property Income Leases described on Schedule 1.2(g) and included in the Assumed Leases, (iii) easements, rights of way, servitudes, restrictions and other matters of record (other than matters evidencing monetary Liens) that do not have (and cannot reasonably be expected in the future to have) a material adverse effect on the use or value of the Sellers' Owned Real Property or the Sellers' Leased Real Property.

"Receivables" shall have the meaning set forth in Section 1.3(h).

"Receivables/Payment Information" shall have the meaning set forth in Section 12.33(a).

"Receiving Party" shall have the meaning set forth in Section 12.10.

"Reserved Taxes" shall have the meaning set forth in Section 1.9.

"Sale Price" shall have the meaning set forth in Section 1.6(a).

"Schedules" shall mean the Schedules to this Agreement.

"Seller Indemnified Parties" shall have the meaning set forth in Section 6.2(a).

"Sellers" shall have the meaning set forth in the introduction.

"Sellers' Cost Reports" means cost reports relating to Sellers' operations, including those relating to the Medicare, Medicaid, TRICARE and any other cost-based payor programs in which Sellers participate or are enrolled.

"Sellers' Leased Real Property" shall have the meaning set forth in Section 1.2(b).

"Sellers' Owned Intellectual Property" shall have the meaning set forth in Section 1.2(l).

"Sellers' Owned Real Property" shall have the meaning set forth in Section 1.2(a).

"Sellers' Real Property Expense Leases" shall have the meaning set forth in Section 1.2(b).

"Sellers' Real Property Income Leases" shall have the meaning set forth in Section 1.2(g).

"Seller Tax Credits" shall have the meaning set forth in Section 1.9(b).

"SIR Reserve" shall mean the cash reserve held by Sellers to fund self-insured retention obligations.

"Survival Period" shall have the meaning set forth in Section 12.20.

"Taxes" or "Tax" shall mean all taxes, fees, levies or other assessments, however denominated, including any interest, penalties or other additions to taxes that may become payable in respect thereof, imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and state income taxes), unrelated business income taxes, payroll and employee withholding taxes, unemployment insurance, social security taxes, sales and use taxes, ad valorem taxes, excise taxes, taxes under Code Section 4958, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation, alternative or add-on minimum estimated or other taxes, levies or assessments for unclaimed property under applicable escheat or unclaimed property laws and other obligations having the same nature or a nature similar to any of the foregoing.

"Tax Return" or "Tax Returns" shall mean any report, return, declaration, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto and including any amendment thereof.

"Third Accountant" shall have the meaning set forth in Section 1.7(d).

"Title Company" shall have the meaning set forth in Section 5.6.

"Title Policy" shall have the meaning set forth in Section 5.6.

"Title Report" shall have the meaning set forth in Section 5.6.

"Transferred Employees" shall have the meaning set forth in Section 9.2.

"Transition Patients" shall have the meaning set forth in Section 12.32.

"Transition Services" shall have the meaning set forth in Section 12.32.

"WARN Act" shall mean, as applicable, the Worker Adjustment and Retraining Notification Act or any state or local law that governs workplace closings and/or mass layoffs.

"Working Capital Schedule" shall mean the schedule of Sellers' Net Working Capital attached hereto as Schedule 1.6 as the same shall be supplemented and replaced pursuant to Section 1.6.

1.2 Sale of Assets. At the Closing, each Seller shall sell, transfer, convey, assign and deliver to the Buyer all of such Seller's respective right, title and interest in, to and under the assets that are used or useable in connection with the operation of the Facilities, including without limitation, the following assets and properties, but excluding the Excluded Assets (collectively, the "Assets"):

(a) the real property owned by the Sellers including, without limitation, the real property used in connection with the operation of any portion of the Business, as more specifically described on Schedule 1.2(a), together with all buildings, improvements and fixtures located thereupon, all easements, rights, entitlements, building and similar permits, rights of way, and other appurtenances thereto (including appurtenant rights in and to public streets), all architectural plans or design specifications relating to the development thereof in Sellers' possession, if any, and all construction in progress (collectively, the "Sellers' Owned Real Property"), such Schedule 1.2(a) to include a description for each such parcel of Sellers' Owned Real Property legally equivalent with the vesting deed for such Sellers' Owned Real Property into the Sellers;

(b) the real property leasehold or sub-leasehold estate in favor of any Seller, as tenant, as more specifically described on Schedule 1.2(b) (collectively, the "Sellers' Leased Real Property"; the leases under which Sellers holds a leasehold or sub-leasehold estate in the Sellers' Leased Real Property are collectively referred to herein as the "Sellers' Real Property Expense Leases");

(c) all (i) tangible personal property of any Seller used in the operation of the Business, including, without limitation, all major, minor or other equipment, furniture, fixtures, machinery, office furnishings and instruments; (ii) vehicles identified on Schedule 1.2(c)(ii); (iii) inventories of supplies, drugs, food, janitorial and office supplies and other disposables and consumables existing on the Closing Date and located at any Facility, or owned or purchased by any Seller for use in connection with the Business; (iv) Assumed Operating Leases and (v) Assumed Capital Leases;

(d) to the extent assignable or transferable, all licenses, certificates of need, franchises, provider agreements, provider numbers, accreditations and registrations and other licenses or permits issued or pending in connection with the Business;

(e) all claims, causes of action and judgments in favor of Sellers relating to the physical condition or repair of the Assets, all insurance proceeds due to Buyer under Section 1.12 and, to the extent assignable, all warranties (express or implied) and rights and claims assertable by (but not against) Sellers related to the Assets;

(f) all financial, patient, medical staff, personnel and other records relating to the Business or the Assets, including, without limitation, all equipment records, medical and administrative libraries, medical records, documents, construction plans and specifications, catalogs, books, records, files, operating manuals and current personnel

records; provided, however, Sellers may retain copies of any such records as they determine in their commercially reasonable discretion;

(g) all lease agreements pursuant to which any Seller, as landlord, has leased to a third party, as tenant, all or some portion of the Sellers' Owned Real Property or the Sellers' Leased Real Property, as more specifically described on Schedule 1.2(g) (collectively, the "Sellers' Real Property Income Leases");

(h) those contracts (excluding any Assumed Leases), commitments and agreements, operating leases and capitalized leases (including, without limitation, any design, engineering and construction contracts for planned, pending or ongoing construction projects) to which any Seller is a party as more specifically identified on Schedule 1.2(h) (collectively, the "Assumed Contracts");

(i) all goodwill associated with the operation of the Business and the Assets;

(j) any deposits, other current assets, other assets, escrows, prepaid taxes or other advance payments relating to any expenses of the Business, including without limitation the items set forth on Schedule 1.2(j) (collectively, the "Prepaid Expenses"), specifically excluding, however, the SIR Reserve and pre-paid medical malpractice and workers' compensation insurance;

(k) intentionally omitted;

(l) to the extent transferable, all patents, trade secrets, the name(s) MetroSouth Medical Center, MetroSouth Hospice Care, MetroSouth Home Care, together with all variations thereof, together with any trademarks, trade names, service marks and domain names, and the goodwill associated therewith, copyrights, software, computer programs and other intellectual property rights of Sellers and used in connection with the Business, substantially all of which are described in Schedule 1.2(l) hereto (collectively, the "Sellers' Owned Intellectual Property");

(m) the Provider Agreements and Numbers and other payor provider numbers and agreements to the extent assignable, including those items set forth on Schedule 1.2(m);

(n) all nondisclosure or confidentiality, non-compete, or non-solicitation agreements with employees and agents of any Seller or with third parties to the extent relating to the Business or the Assets (or any portion thereof) contained in any Assumed Contract;

(o) to the extent transferable, under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent affecting any other Assets, other than any warranties, representations and guarantees pertaining to any Excluded Assets;

(p) any amounts accruing after the Effective Time for services rendered or events occurring after the Effective Time under Medicare and Medicaid EMR Incentive Programs and Blue Cross Blue Shield incentive programs; and

(q) except as expressly excluded in Section 1.3 below, all other property owned by Sellers, whether tangible or intangible, located at any Facility or used or useable in connection with the Business, whether or not reflected on the Financial Statements and any claims against third parties (other than Buyer) by Sellers relating to the Assets, whether known or unknown, contingent or otherwise.

Unless otherwise specified herein, the "Assets" also include the assets acquired by any Seller for use in connection with the Business between the Balance Sheet Date and the Closing Date.

1.3 Excluded Assets. The following items which are related to the Business are not intended by the parties to be a part of the purchase and sale of assets hereunder and are excluded from the Assets (collectively, the "Excluded Assets"): (a) all cash on hand, cash equivalents and short term investments, including without limitation, the SIR Reserve; (b) all amounts due Sellers from its Affiliates and disclosed on Schedule 1.3; (c) all trust funds not related to the Business; (d) the corporate record books, corporate minute books and Tax records and all records related to Excluded Assets of each Seller; (e) all supplies, drugs, food and other disposables and consumables of any Seller disposed of in the ordinary course of business prior to the Closing; (f) rights of any Seller arising pursuant to this Agreement; (g) all contracts or leases to which any Seller is a party which is not an Assumed Contract or Assumed Lease, including but not limited to those contracts and leases set forth on Schedule 1.3; (h) all amounts payable to Sellers in respect of third party payors pursuant to retrospective settlements (including, without limitation, pursuant to Medicare, Medicaid and TRICARE cost reports filed or to be filed by Sellers for periods prior to the Effective Time) and all appeals and appeal rights of Sellers relating to such settlements, including cost report settlements, for periods prior to the Effective Time, and all notes, other accounts receivable and other rights to receive payment for goods and services provided by Sellers in connection with the Business, billed and unbilled, recorded or unrecorded, including, without limitation, any such accounts receivable that have been charged off as bad debt, and all other notes receivable from patients and notes receivable from physicians as such notes are more specifically described in Schedule 1.3 (collectively, the "Receivables"); (i) all insurance proceeds arising in connection with the operation of the Facilities or the Assets prior to the Effective Time, and all insurance proceeds arising in connection with the Excluded Assets and Excluded Liabilities; (j) all claims, rights, interests and proceeds with respect to refunds of Taxes for periods ending on or prior to the Effective Time and all rights to pursue appeals of the same; and (k) any other assets set forth on Schedule 1.3.

#### 1.4 Assets Free and Clear; Assignment and Assumption Agreement; Assignment and Undertaking Agreement.

(a) Notwithstanding any other provision hereof to the contrary, the Assets shall be sold and transferred to Buyer free and clear of all liabilities and Liens except (i) Real Property Permitted Encumbrances; (ii) the liabilities included in the classes of liabilities included in Net Working Capital and set forth on Schedule 1.6 or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 1.6; (iii) all liabilities related to the Assumed Contracts and Assumed Leases assumed under Section 1.4(b) hereof; and (iv) as otherwise agreed to by Buyer and Sellers and as set forth on Schedule 1.4(a)(iv) (collectively, the "Assumed Liabilities").

(b) Buyer shall expressly assume the Assumed Contracts and Assumed Leases pursuant to the Assignment and Assumption Agreement (the "Assignment and Assumption Agreement"). In the event an assignment of any of Sellers' Real Property Expense Leases requires the consent of a third party to such contract, the parties shall execute a separate Assignment and Assumption Agreement with respect to each such affected Sellers' Real Property Expense Lease.

(c) Sellers shall assign and Buyer shall expressly assume the Assumed Liabilities pursuant to the Assignment and Undertaking Agreement (the "Assignment and Undertaking Agreement").

(d) With respect to any indebtedness secured by a Lien on the Assets which Lien is not a Real Property Permitted Encumbrance or which is not expressly assumed by Buyer in the Assignment and Undertaking Agreement, Sellers shall discharge such indebtedness and cause any such Lien to be released at or prior to Closing.

1.5 Excluded Liabilities. Except for the Assumed Liabilities, including the liabilities assumed as part of Net Working Capital, Buyer will not assume or be liable for and under no circumstances shall Buyer be obligated to pay or assume and none of the Assets shall become subject to any other liability of any Seller, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise, including, without limitation, the following liabilities of any Seller (collectively, the "Excluded Liabilities"):

(a) any liability arising out of or relating to the conduct or operations of the Business prior to the Effective Time;

(b) any indebtedness, debt of or claim against any Seller or any one or more of its Affiliates, or any obligation of any Seller or any one or more of its Affiliates to repay borrowed money;

(c) all liabilities arising out of or related to the Excluded Assets, including any contract or lease to which any Seller is a party or by which any Seller is bound that is not among the Assumed Contracts or the Assumed Leases;

(d) all liabilities for Taxes, whether or not accrued, assessed or currently due and payable, (i) of any Seller, whether or not it relates to the Business, or (ii) relating to the Business for any Tax periods (or portion thereof) ending on or before the Effective Time;

(e) all liabilities relating to amounts required to be paid by any Seller hereunder;

(f) any liability arising from or in connection with a violation of law by any Seller, its employees or Affiliates, including those pertaining to Medicare and Medicaid fraud or abuse and federal and state physician anti-self-referral laws arising out of or relating to any period ending on or before the Effective Time;

(g) any liability arising out of or in connection with claims for acts, omissions and professional malpractice relating to the ownership or operation of the Business

or Assets, including without limitation, claims related to Sellers' self-insured retention obligations, which allegedly occurred prior to the Effective Time;

(h) all liabilities and obligations of Sellers in respect of periods prior to the Effective Time arising under the terms of the Medicare, Medicaid, TRICARE, Blue Cross, or other third party payor programs, and any liability arising pursuant to the Medicare, Medicaid, TRICARE, Blue Cross, or any other third party payor programs as a result of the consummation of any of the transactions contemplated under this Agreement;

(i) any liability for any and all claims by or on behalf of Sellers' employees arising out of or related to acts, omissions, events or occurrences prior to the Effective Time including, without limitation, liability for any pension, profit sharing, deferred compensation, group health or any other employee health and welfare benefit plans, liability for any EEOC claim, ADA claim, FMLA claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim, and any liabilities or obligations to former employees of Seller or qualified beneficiaries of Sellers' group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") (provided, however, that this clause (i) shall not apply to any and all employee benefits constituting Assumed Liabilities under Section 1.4(a) hereof);

(j) all liabilities and obligations relating to any oral agreements, oral contracts or oral understandings with any referral sources including, but not limited to, physicians, unless reduced to writing and expressly assumed as part of the Assumed Contracts;

(k) all accounts payable relating to the operation of the Business through the Effective Time (collectively, the "Accounts Payable"); and

(l) any liability arising by virtue of the failure to obtain a required consent of the assignment by any Seller of any Assumed Contract to Buyer at Closing.

For avoidance of doubt, Buyer shall be obligated to take subject to, pay or assume all liabilities that constitute Assumed Liabilities (including the liabilities that comprise part of the Net Working Capital) even if those liabilities could also be categorized herein as "Excluded Liabilities".

#### 1.6 Purchase Price.

(a) Subject to the terms and conditions hereof and as consideration for the purchase and sale of the Assets, Buyer shall pay to the Sellers a purchase price, which shall be equal to (i) Forty Million Dollars (\$40,000,000), plus (ii) the amount of the Net Working Capital as of the Effective Time, and minus (iii) the amount of the Assumed Capital Leases as of the Effective Time (collectively, the "Purchase Price").

(b) The Estimated Working Capital of the Business as of the Balance Sheet Date is set forth in the Working Capital Schedule, as attached hereto as Schedule 1.6. The Working Capital Schedule was prepared from the books and accounts and records of the Sellers and in accordance with GAAP. The principles, specifications and methodologies for determining the Estimated Working Capital shall be specified in Schedule 1.6. The Sellers shall provide to Buyer at least ten (10) business days prior to the Closing Date an updated

Working Capital Schedule using financial information from the most recently ended month. Such revised Working Capital Schedule shall supersede and replace Schedule 1.6. The Net Working Capital of the Business as shown on Schedule 1.6 as of the Closing Date is hereinafter referred to as the "Estimated Working Capital". Subject to the mutual agreement of Sellers and Buyer, the Estimated Working Capital shall be used for purposes of calculating the Purchase Price as of the Closing.

(c) On the Closing Date, Six Million Dollars (\$6,000,000) shall be wired to SunTrust Bank (the "Escrow Agent") to be held in escrow (the "Indemnity Escrow") to fund Sellers' indemnification obligations, if any, under Section 6.2 hereof. One-half of the funds remaining in the Indemnity Escrow shall be released to Sellers on the eighteen month anniversary of the Closing Date (the "Escrow Release Date"). Notwithstanding the foregoing, in the event that the total indemnification claims under Section 6.2 exceed Five Hundred Thousand Dollars (\$500,000) on the Escrow Release Date, no funds shall be released from the Indemnity Escrow pursuant to the preceding sentence. Any funds remaining in the Indemnity Escrow shall be released to Sellers the next day following the date that the Survival Period expires; provided, however, that if on or prior to that date Buyer has in good faith given notice of any claim or liability entitled to indemnification under Section 6.2 hereof, there shall remain on deposit with the Escrow Agent, and not disbursed to Sellers, the aggregate amount that would be payable to Buyer pursuant to Section 6.2 were Buyer to prevail in respect of any such claim or liability. If at any time any such claim or liability shall be resolved, either by mutual agreement of the parties or pursuant to a final non-appealable order of a court of competent jurisdiction, Buyer and Sellers shall instruct the Escrow Agent to disburse the funds being held in respect of any such claim or liability in accordance with such agreement or court order.

(d) On the Closing Date, Buyer shall assume the Assumed Liabilities.

#### 1.7 Post-Closing Adjustments.

(a) Within ninety (90) days after the Closing, Buyer shall prepare or cause to be prepared, and deliver to the Sellers a statement (the "Closing Working Capital Statement"), which shall set forth in reasonable detail Buyer's calculation of Net Working Capital of the Business as of the close of business on the Closing Date (the "Closing Working Capital"), which shall have been prepared in accordance with GAAP and using the same accounting principles, specifications and methodologies used by Sellers to prepared the Estimated Working Capital. The Closing Working Capital Statement will be used to determine any final adjustments to the Purchase Price (the "Post-Closing Adjustments") relating to Net Working Capital.

(b) If the Closing Working Capital exceeds the Estimated Working Capital, Buyer shall pay to the Sellers the amount of such excess. If the Estimated Working Capital exceeds the Closing Working Capital, Sellers shall pay to Buyer the amount of such excess. Any payment required under this Section 1.7(b) shall be made within ten (10) business days after the Closing Working Capital is deemed to be finally determined pursuant to this Section 1.7 and shall be made by confirmed wire transfer of immediately available funds to a bank account or accounts to be designated by the party receiving the payment.

(c) In addition to the delivery of the Closing Working Capital Statement, Buyer shall deliver within ninety (90) days after the Closing a schedule to the Sellers

detailing any Post Closing Adjustments and setting forth the differences between the Purchase Price, as adjusted, and the amount of cash or otherwise immediately available funds paid by Buyer on the Closing Date.

(d) Should the Sellers dispute the Post Closing Adjustments proposed by Buyer or the accuracy of the Closing Working Capital Statement, the Sellers shall promptly (and in no event later than sixty (60) days after receipt of the Closing Working Capital Statement and the required schedule of Post Closing Adjustments) advise Buyer in writing of the disputed item(s) (the "Disputed Items," such written advisement referred to herein as the "Disputed Items Notice"). If after thirty (30) days after delivery of the Disputed Items Notice, Buyer and the Sellers are unable to agree upon the amount of the Post Closing Adjustments, Buyer and the Sellers shall each engage an accountant(s) (each, an "Accountant") of their choice to review only the Disputed Items on the Closing Working Capital Statement and the proposed Post Closing Adjustments related to the Disputed Items and determine the amount thereof, such determination to be made as soon as practicable. In making such review and determination, the accountants shall utilize the terms and provisions of this Agreement and, where not inconsistent with this Agreement, GAAP, consistently applied. If each Accountant's review is consistent with the other (for purposes of this section "consistent" shall mean within a variation of no more than ten (10%) percent) then the review and the decision of the Accountants shall be binding on the Sellers and Buyer. However, if, after comparison, there is more than a ten (10%) variation in the Accountants' review, the Accountants shall agree upon and designate a third accountant (the "Third Accountant") to conduct the review and the decision of the Third Accountant shall then be binding on the Sellers and Buyer. In the event the Accountants cannot agree upon a third accountant, the Escrow Agent shall appoint a third accountant, who shall be deemed to be the "Third Accountant" for purposes of this Agreement. The Third Accountant shall review the Disputed Items and, acting as arbitrator, shall promptly decide the proper amounts of such Disputed Items (which decision shall also include a final calculation of Net Working Capital). It is understood that TIME IS OF THE ESSENCE with the review of all accountants and in no event shall any Accountant review take more than thirty (30) days. The submission of Disputed Items to the Third Accountant shall be the exclusive remedy for resolving accounting disputes relative to the determination of Net Working Capital.

(e) Each of the parties hereto shall cooperate and assist the other parties hereto and, if applicable, the Accountants in the preparation and review of the Closing Working Capital Statement and schedule of Post Closing Adjustments. Without limiting the generality of the foregoing, upon request (i) the Sellers shall make available Sellers' books, records, work papers and personnel related to the Business and (ii) Buyer shall make available its personnel, books, records, work papers and any records acquired from Sellers in connection with the Business. The Buyer and Sellers shall be responsible for the payment of the fees and disbursements due their respective Accountants. The fees and disbursements of the Third Accountant, if any, in rendering his/her determination shall be paid fifty percent (50%) by the Sellers and fifty percent (50%) by Buyer.

1.8 Taxes. Each Seller shall pay all Taxes, if any, applicable to such Seller, but not including any transfer taxes, fees or similar assessments resulting from the sale of the Assets pursuant hereto. Buyer shall pay (i) all Taxes, if any, applicable to Buyer; and (ii) all transfer taxes, fees or similar assessments resulting from the sale of the Assets pursuant hereto.

## 1.9 Tax Obligations.

(a) Only to the extent necessary to transfer the Assets to Buyer free and clear of Liens, each Seller shall be responsible for and shall pay or credit against the Purchase Price any Taxes arising or resulting from or in connection with its ownership and/or operation of the Assets for taxable periods or portions thereof ending before the Effective Time, other than any such Taxes included in the Net Working Capital ("Reserved Taxes"). All real property Taxes, personal property Taxes, and similar *ad valorem* obligations levied with respect to the Assets for a taxable period that includes the day immediately prior to the Effective Time shall be apportioned between the Sellers and the Buyer as of the Effective Time based upon (i) the number of days of such taxable period included in any tax period (or portion thereof) ending immediately before the Effective Time (the "Pre-Closing Tax Period") and (ii) the number of days of such taxable period included in any tax period (or portion thereof) beginning as of the Effective Time (the "Post-Closing Tax Period"). Buyer shall be responsible for and shall pay all Taxes in connection with the ownership of the Assets for taxable periods or portions thereof beginning as of the Effective Time and for all Reserved Taxes. Nothing in this Section 1.9 shall be deemed to create an obligation on the part of any Seller to pay taxes to any taxing authority which are not otherwise due.

(b) The parties acknowledge and agree that, in accordance with Section 1.9(a) above, Sellers shall provide Buyer with a credit against the Purchase Price for any real property Taxes arising or resulting from or in connection with the ownership and/or operation of the Assets ("Real Estate Taxes") for taxable periods or portions thereof ending before the Effective Time (the aggregate amount thereof, whether included in Net Working Capital or settled at the Closing, being referred to herein as "Seller Tax Credits"). To the extent that the Seller Tax Credits exceed the actual amount of each Seller's aggregate tax liability for Real Estate Taxes for taxable periods or portions thereof ending before the Effective Time as shown on the Cook County Collector's property tax bills for the applicable tax periods (the "Actual Real Estate Tax Liability"), Buyer agrees to promptly pay Sellers the amount of the difference between the aggregate Seller Tax Credits and the aggregate amount of the Actual Real Estate Tax Liability. To the extent that the Seller Tax Credits are less than the Actual Real Estate Tax Liability, Sellers agree to promptly pay Buyer the amount of the difference between the aggregate Seller Tax Credits and the aggregate amount of the Actual Real Estate Tax Liability.

## 1.10 Cooperation With Respect to Taxes.

(a) The party which has the primary obligation to do so under applicable law shall file any Tax Return that is required to be filed with respect to Taxes and shall pay the Taxes shown on such Tax Return and notify the other party in writing of such other party's share of the Taxes for which it is responsible pursuant to this Agreement, if any, and the method in which such Taxes and share of Taxes were calculated. The party receiving the notice shall reimburse the paying party for the share of Taxes so paid within ten (10) calendar days after receipt of such notice.

(b) The parties to this Agreement shall cooperate, including without limitation during times of audit by taxing authorities and in preparation of Tax Returns, to avoid payment of duplicate or inappropriate Taxes, and each party shall furnish, at the reasonable request of the other, proof of payment of any such Taxes or any other documentation that is a prerequisite to avoiding payment of a duplicate or inappropriate Tax.

Such cooperation shall include, without limitation, furnishing information regarding prior years' Tax Returns and related work papers, rulings and determinations by any tax authority.

1.11 Reserved.

1.12 Casualty Loss Provision.

(a) The risk of loss or damage to any of the Assets shall remain with Sellers until the Effective Time and Sellers shall maintain their insurance policies covering the Assets and all other property through the Effective Time. If any material part or portion of the Assets is damaged, condemned, lost or destroyed (whether by fire, theft or other casualty event) prior to the Effective Time, the Sellers shall notify Buyer ("Casualty Notice") as soon as possible of such damage, loss or destruction. The Casualty Notice shall set forth the Sellers' good faith, reasonable estimate (the "Estimate") of the fair market value of the cost to repair, replace or restore (as applicable) such damage, loss or destruction (the "Aggregate Damage").

(b) In the event that there is damage, loss or destruction to the Assets related thereto (collectively, the "Casualty Assets") and the Estimate of the cost to repair, replace or restore (as applicable) such damage, loss or destruction to the Casualty Assets is greater than Five Million Dollars (\$5,000,000) (a "Material Loss") Buyer may, within 10 days after receipt of the Casualty Notice, by written notice to the Sellers, terminate this Agreement.

(c) If, prior to the Effective Time, any part or portion of the Assets is destroyed, lost or damaged and Buyer and the Sellers consummate the transactions contemplated in this Agreement, at the Effective Time the Sellers shall deliver possession of the Assets to Buyer in such physical condition as the same may then exist; provided that, each Seller shall assign to Buyer the right to receive any net insurance proceeds received for the property loss or damage to the Assets and reduce the cash portion of the Purchase Price by an amount equal to any deductible in connection therewith.

2. CLOSING.

2.1 Closing. The consummation of the purchase and sale of the Assets (the "Closing") shall take place in Chicago, Illinois, at the offices of Holland & Knight or other agreed upon location, at 10:00 A.M. local time on the last business day of the month in which all of the conditions precedent thereto have been satisfied, except those that are to be satisfied at the time of Closing, or at such other time as the parties hereto may mutually designate in writing (the "Closing Date"), or such other date as the parties may agree in writing. The Closing shall be effective for all purposes at 12:01 A.M. on the first calendar day of the next succeeding month (the "Effective Time" or the "Effective Date").

2.2 Actions of Sellers at Closing. At the Closing, the Sellers shall deliver, or cause to be delivered, to Buyer the following:

(a) One or more limited warranty deeds executed by authorized officers and/or representatives of the applicable Sellers, conveying to the Buyer good and indefeasible fee simple title to the Sellers' Owned Real Property, subject only to the applicable Real Property Permitted Encumbrances that affect any such parcel;

(b) Each Seller shall deliver the Assignment and Assumption Agreement executed by a duly authorized officer and/or representative of such Seller;

(c) Each Seller shall deliver one or more of the Assignment and Undertaking Agreements executed by a duly authorized officer and/or representative of such Seller;

(d) Each Seller shall deliver a general bill of sale and assignment (the "Bill of Sale") executed by a duly authorized officer and/or representative of such Seller;

(e) Each Seller shall deliver an Assignment of Intellectual Property;

(f) Each Seller shall deliver (i) such documents as may be required by the Title Company to release the Sellers' Owned Real Property from any and all mortgages and security interests created at any time prior to the Closing Date, except the Real Property Permitted Encumbrances and the Assumed Liabilities, and to insure Buyer's fee ownership interest in the Sellers' Owned Real Property and (ii) any documents reasonably required by the Title Company to confirm leasehold rights of third parties in the Sellers' Owned Real Property and the absence of mechanic's and materialmen's lien rights with respect to the Sellers' Real Property. The Sellers shall be entitled, at Sellers' discretion, to use any portion or all of the Purchase Price to pay any of the foregoing or any other liens or encumbrances against the Sellers' Owned Real Property, whereupon the discharges of such encumbrances shall be recorded at Closing or, if acceptable to Buyer and the Title Company, post-closing in accordance with reasonable and customary real estate practices in the State of Illinois;

(g) Sellers shall deliver a certificate of non-foreign status, dated as of the Closing Date, executed by a duly authorized officer in form and substance required under the Treasury Regulations pursuant to Section 1445 of the IRC;

(h) copies of resolutions duly adopted by the Board or other appropriate governing bodies of each Seller authorizing and approving such Seller's performance of the transactions contemplated hereby and the execution and delivery of the documents described herein, certified as true and of full force as of the Closing by appropriate officers of each Seller;

(i) certificates dated as of the Closing Date of the appropriate officers of Sellers certifying that all of the conditions contained in Article 8 have been satisfied except those, if any, waived in writing by Sellers;

(j) certificates of incumbency, dated as of the Closing Date, for the officers of each Seller making certifications for Closing or executing this Agreement, the Assignment and Undertaking Agreements or any other documents, agreements or certificates contemplated by the terms hereof to be executed and delivered by Sellers;

(k) certificates of existence of each Seller from the Delaware Secretary of State, dated the most recent practical date prior to Closing;

(l) each Seller shall deliver a DEA limited power of attorney fully executed by a duly authorized officer of such Seller; and

(m) each of the Sellers shall deliver such other instruments and documents as Buyer and Sellers reasonably and mutually deem necessary to effectuate the transactions contemplated hereby.

2.3 Actions of Buyer at Closing. At the Closing, Buyer shall deliver, or cause to be delivered, to the Sellers or their representatives:

(a) payment of the Purchase Price as determined in accordance with Section 1.6 hereof;

(b) the Assignment and Assumption Agreements and the Assignment and Undertaking Agreements, all executed by a duly authorized officer of Buyer;

(c) copies of resolutions duly adopted by the Board or other appropriate governing bodies of Buyer authorizing and approving Buyer's performance of the transactions contemplated hereby and the execution and delivery of the documents described herein, certified as true and of full force as of the Closing by appropriate officers of Buyer;

(d) certificates dated as of the Closing Date of the appropriate officers of Buyer certifying that all of the conditions contained in Article 7 have been satisfied except those, if any, waived in writing by Buyer;

(e) certificates of incumbency, dated as of the Closing Date, for the officers of Buyer making certifications for Closing or executing this Agreement, the Assignment and Undertaking Agreements or any other documents, agreements or certificates contemplated by the terms hereof to be executed and delivered by Buyer;

(f) a certificate of existence of Buyer from the Delaware Secretary of State, dated the most recent practical date prior to Closing; and

(g) Buyer shall deliver such other instruments and documents as Buyer and Sellers reasonably and mutually deem necessary to effectuate the transactions contemplated hereby.

### 3. REPRESENTATIONS AND WARRANTIES OF SELLERS.

As of the date hereof and as of the Closing Date, the Sellers represent and warrant to Buyer the following:

#### 3.1 Existence and Capacity.

(a) Each Seller is a Delaware limited liability company that is duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) No Seller owns, directly or indirectly, beneficially or equitably, any capital stock or other equity interest in any corporation, partnership, limited partnership, limited liability company or other entity or association, nor does any Seller own or hold any right of first refusal, purchase option or other rights with respect thereto, nor does any other

entity own or hold any right of first refusal, purchase option or other rights related to the Assets.

3.2 Powers; Consents; Absence of Conflicts With Other Agreements. The execution, delivery, and performance of this Agreement by the Sellers and all other agreements referenced herein, or ancillary hereto, to which any of the Sellers is a party, and the consummation of the transactions contemplated herein by the Sellers:

(a) are within its organizational powers, are not in contravention of law or of the terms of its organizational documents and have been duly authorized by all appropriate action;

(b) except as set forth on Schedule 3.2(b) do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) except as set forth on Schedule 3.2(c), will not conflict with, require consent under or result in any breach or contravention of, or the creation of any Lien, charge, or encumbrance under, any indenture, agreement, contract, lease, instrument or understanding to which any Seller is a party or by which it is bound or any of its assets is subject;

(d) will not violate any statute, law, ordinance, rule or regulation of any governmental authority to which any Seller or the Assets may be subject; and

(e) will not violate any judgment, decree, order, writ or injunction of any court or governmental authority to which any Seller or the Assets may be subject.

3.3 Binding Agreement. This Agreement constitutes the valid, legal and binding obligation of each Seller, enforceable against each such Seller in accordance with its terms subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies. Upon the execution and delivery by each of the Sellers of such other agreements as may be required pursuant to Section 2.2 herein, such agreements will constitute valid, legal and binding obligations of such Seller enforceable against such Seller in accordance with its terms, subject to the limitations described in the immediately preceding sentence.

3.4 Financial Statements. Sellers have made available to Buyer copies of the following financial statements of Sellers pertaining to the Business and the Assets (the "Financial Statements"), which Financial Statements are maintained on an accrual basis, and copies of which have been delivered to Buyer in a writing delivered by the Sellers to Buyer which specifically reference this Section 3.4 or which are attached hereto as Schedule 3.4:

(a) unaudited Balance Sheet dated as of September 30, 2011 (the "Balance Sheet Date");

(b) unaudited Income Statement for the nine month period ended on September 30, 2011; and

(c) audited Balance Sheets, Income Statements, and Statements of Cash Flows for the fiscal year ended December 31, 2009 and December 31, 2010.

Such unaudited Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, except: (i) for year-end audit adjustments, which would not be material, and (ii) for a lack of footnotes. Except as set forth in the footnotes to the audited Financial Statements, the audited Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated. Such Balance Sheets present fairly in all material respects the financial condition of the Business as of the dates indicated thereon, and such Income Statements present fairly in all material respects the results of operations of the Business for the periods indicated thereon.

3.5 Certain Post-Balance Sheet Results. Since the Balance Sheet Date, except as set forth on Schedule 3.5, there has not been any:

(a) material damage, destruction or loss (whether or not covered by insurance) affecting the Business or the Assets;

(b) threatened employee strike, work stoppage or labor dispute pertaining to the Facilities;

(c) sale, assignment, transfer or disposition of any item of property, plant or equipment included in the Assets having a value in excess of Ten Thousand Dollars (\$10,000), except in the ordinary course of business with comparable replacement thereof;

(d) general increases in the compensation payable to any of Sellers' employees or independent contractors except normal wage increases based on evaluations of employees conducted on each employee's anniversary date or date of promotion, or any increase in, or establishment or amendment of, any bonus, insurance, pension, profit-sharing or other employee benefit plan, remuneration or arrangement made to, for or with such employees, other than as required by applicable law;

(e) change in the composition of the medical staff of the Hospital, other than normal turnover occurring in the ordinary course of business;

(f) change in the rates charged by the Facilities for their services, other than those made in the ordinary course of business;

(g) adjustment or write-off in accounts receivable or reductions in reserves for accounts receivable outside the ordinary course of business of the Facilities; or

(h) change in accounting policies or procedures of Sellers.

3.6 Licenses. Each of the Facilities has all material licenses, registrations, permits and approvals that are needed or required by law to operate the Business, the Assets or any ancillary services related thereto. Schedule 3.6 sets forth an accurate list of all such licenses, registrations, permits and approvals, identifying specifically each Seller and Facility related thereto, all of which if held by a Seller or the Sellers, are now, and as of the Closing Date shall be, in good standing and are not subject to meritorious challenge, and except as set forth

on Schedule 3.6, no such licenses are subject to renewal within less than one (1) year of the date of this Agreement.

3.7 Medicare Participation/Accreditation. The Facilities (except the medical office building adjacent to the Hospital) are qualified for participation in the Government Reimbursement Programs set forth on Schedule 3.7; have current and valid provider contracts with such programs; are in compliance in all material respects with the conditions of participation and, where applicable, conditions of coverage for such programs; have received all material approvals or qualifications necessary for reimbursement; and are accredited, with no contingencies, by The Joint Commission. A copy of the most recent accreditation letter from The Joint Commission pertaining to the Facilities has been made available to Buyer. All billing practices of Sellers with respect to the Facilities to all third party payors, including the Medicare, Medicaid and TRICARE programs and private insurance companies, have been in material compliance with all applicable laws, regulations and policies of such third party payors and the Medicare, Medicaid and TRICARE programs, and no Seller nor the Facilities have billed or received any payment or reimbursement in excess of amounts allowed by law. Based upon and in reliance upon Sellers' review of (i) the "list of Excluded Individuals/Entities" on the website of the United States Health and Human Services Office of Inspector General (<http://oig.hhs.gov/fraud/exclusions.html>), and (ii) the "List of Parties Excluded From Federal Procurement and Nonprocurement Programs" on the website of the United States General Services Administration (<http://www.arnet.gov/epls/>), none of the officers, directors or managing employees of any Seller has been excluded from participation in the Medicare, Medicaid or TRICARE programs. Sellers have registered with the QNet Exchange ("QNet") as required by The Centers for Medicare and Medicaid Services ("CMS") under its Hospital Quality Initiative Program (the "HQI Program"). Sellers have submitted all quality data required under the HQI Program to CMS or its agent, and all quality data required under the ORYX Core Measure Performance Measurement System ("ORYX") to The Joint Commission, for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired. All such submissions of quality data have been made in accordance with applicable reporting deadlines and in the form and manner required by CMS and The Joint Commission, respectively. Sellers have not received notice of any reduction in reimbursement under the Medicare program resulting from their failure to report quality data to CMS or its agent as required under the HQI Program. Sellers have provided Buyer with the HQI Program "validation results" for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired. Sellers have not received notice of any reduction in reimbursement under the Medicare program resulting from their failure to report quality data to CMS or its agent as required under the HQI Program. None of the Facilities has been excluded from participation in the Government Reimbursement Programs, nor to the Sellers' knowledge, is any such exclusion threatened. Each provider agreement to which any Seller is a party is in full force and effect and, to Sellers' knowledge, no events or facts exist that would cause any such provider agreement not to remain in force or effect after the Closing. Except as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.7 or as set forth on Schedule 3.7, no Seller has received notice of any claims, audits, focused reviews, RAC audits, Medicaid Integrity Program audits, arbitrations, hearings, investigations, litigation, suits, surveys, or other actions pending, or, to the knowledge of the Sellers, threatened, involving any of the Government Reimbursement Programs or any other third party payor programs.

### 3.8 Regulatory and Information Privacy/Security Compliance.

(a) Set forth on Schedule 3.8(a) are all of the Sellers' contracts relating to the Business with physicians, their immediate family members, or other Healthcare Providers, or entities in which physicians, their immediate family members, or other Healthcare Providers are equity owners involving services, supplies, payments or any other type of remuneration, whether such services or supplies are provided by a Healthcare Provider to any Seller, or to a Healthcare Provider, and all of Sellers' leases, relating to the Business, of personal or real property with Healthcare Providers, whether such personal or real property is leased by a Healthcare Provider to a Seller or leased by a Seller to a Healthcare Provider. All such contracts are in writing, are signed, set forth the services to be provided, and provide for a fair market value compensation in exchange for such services, space or goods and comply with Health Care Laws in all material respects. Except as set forth on Schedule 3.8(a), each of the Facilities, the Business, and the Assets has been and presently is in material compliance with all applicable Health Care Laws and all applicable Information Privacy or Security Laws in all material respects. Each Seller has timely filed all reports, data and other information required to be filed with respect to all Government Reimbursement Programs.

(b) Except as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.8(b) or as set forth on Schedule 3.8(b) and to the knowledge of each Seller after reasonable inquiry, the Facilities have not had a Breach of Unsecured Protected Health Information (as such terms are defined in 45 C.F.R. Part 164.402).

3.9 Real Property. At Closing, Sellers shall transfer good and marketable fee simple title to the Sellers' Owned Real Property, together with all appurtenances and rights thereto, and good and valid title in any leasehold interest to the Sellers' Leased Real Property, which title, in both cases, shall be sold, assigned, and transferred free and clear of any and all Liens, subject only to the Real Property Permitted Encumbrances. No Seller has received written notice indicating that any of the improvements, if any, which are a part of the Sellers' Owned Real Property, as designed and constructed, violate any statute, restriction, regulation or ordinance applicable thereto, including but not limited to the ADA and Section 504 of the Rehabilitation Act of 1973 to the extent required, and, to the Sellers' knowledge, no such violation exists. No Seller has received written notice indicating that the location, construction, occupancy, operation or use of the Sellers' Owned Real Property and Sellers' Leased Real Property (including the improvements which are a part thereof) violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), judicial precedent or any restrictive covenant or deed restriction (recorded or otherwise) affecting such property, and, to the Sellers' knowledge, no such violation exists. The Sellers' Owned Real Property and Sellers' Leased Real Property comprise all of the real property currently used in connection with the Business or the Assets. With respect to the Real Property:

(a) except as described in Schedule 3.9(a), other than any of the Sellers, there are no tenants or other persons or entities occupying any space in the Real Property other than pursuant to the Sellers' Real Property Expense Leases;

(b) as described in Schedule 3.9(b) or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.9(b) is a "rent roll" for all of Sellers' Real Property Expense Leases and Sellers' Real Property Income Leases that sets forth (i) the premises covered; (ii) the date of the lease and all amendments and modifications thereto; (iii) the name of the landlord and the tenant, licensee or occupant; (iv) the term; (v) the rents and other charges payable thereunder; (vi) the rents or other charges in arrears or prepaid thereunder, if any, and the period for which any such rents and other charges are in arrears or have been prepaid; (vii) the nature and amount of the security deposits thereunder, if any; (viii) options to renew or extend the term contained in the lease; (ix) any free rent, concessions, allowances, rebates or refunds to which the tenant, licensee or occupant may have been or be entitled; (x) the status of tenant improvements to be performed by the landlord; (xi) the nature and amount of any commissions payable with respect thereto; and (xii) a list of all uncured defaults under the leases;

(c) except as set forth in Schedule 3.9(c), no Seller has granted any right of first refusal to purchase or lease or an option to purchase or lease all or any portion of the Real Property;

(d) except as set forth in Schedule 3.9(d), there will be no incomplete construction projects initiated by any Seller or any sums owing on account of complete or incomplete construction projects affecting the Real Property as of the Closing Date. Schedule 3.9(d) identifies all design service contracts, engineering services contracts, construction contracts and construction management contracts relating to those construction projects initiated by any Seller that will be incomplete as of the Closing Date;

(e) except as set forth in Schedule 3.9(e) and to the knowledge of each Seller after reasonable inquiry, all Existing TI Obligations will have been fully performed and funded by each of the Sellers on or before the Closing Date; and

(f) Sellers have not received any written notice of any existing, proposed or contemplated eminent domain proceeding that would result in the taking of all or any part of the Sellers' Owned Real Property or that would materially and adversely affect the current use of any part of the Sellers' Owned Real Property.

3.10 Title and Condition of the Assets and Real Property. As of the Closing Date, the Sellers shall own and hold good and valid title to all of the Assets, subject only to the Real Property Permitted Encumbrances with respect to the Real Property and subject only to the Assumed Liabilities with respect to all other Assets. The Assets and the Excluded Assets comprise substantially all of the property and assets used in the conduct and operation of the Business as of the date of this Agreement, including without limitation those assets reflected on the Financial Statements.

### 3.11 Benefit Plans.

(a) Schedule 3.11(a) sets forth a true, complete and correct list, and the funded status of, all Benefit Plans.

(b) Sellers have heretofore delivered to Buyer, with respect to each of the Benefit Plans true, accurate and complete copies of the following documents, as applicable: (i) the Benefit Plan document and all amendments, (ii) any related trust agreement or other

funding instrument, (iii) the most recent IRS determination letter, (iv) any summary plan description and other material written communications provided to employees concerning the extent of the benefits provided under each Benefit Plan, and (v) all personnel, payroll and employment manuals and policies.

(c) Except as set forth in Schedule 3.11(c), with respect to such Benefit Plans, Sellers do not currently and have not participated in or sponsored, contributed to, or had an obligation to contribute to a multiemployer plan, multiple employer plan, or single employer plan to which at least two or more of the contributing sponsors are not part of the same controlled group; sponsored or participated in any benefit plan that is self-insured or is a self-funded multiple employer welfare arrangement; participated in, engaged in, or been a party to any prohibited transaction for which there is no statutory exemption; had asserted against them any claim for any excise tax, interest, or penalty; or committed a breach of any responsibilities or obligations imposed upon fiduciaries. Sellers do not have any liability under any Benefit Plan for which Buyer has or will have any liability, contingent or otherwise, under Parts I or IV of ERISA, the Code, or other applicable law.

(d) Each Benefit Plan that is a pension or other retirement plan and each related trust agreement, annuity contract, or other funding instrument is and has been since its inception qualified and tax-exempt under the provisions of Sections 401(a), 403(b), 457 or 501(a) of the Code applicable to such Benefit Plan; is and has been since its inception in material compliance with its terms and, both as to form and in operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan; does not have and has not had since its inception any unfunded accrued liability; has not experienced any reportable events; has not had any accumulated funding deficiencies or liquidity shortfalls; does not have any liabilities required to be disclosed that have not been disclosed; and has not been partially or fully terminated, nor has any governmental entity instituted or threatened a proceeding to terminate any such Benefit Plan or to appoint a trustee. Each Benefit Plan that is not a pension or other retirement plan is in material compliance with its terms and, both as to form and operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan. Sellers have no knowledge of any noncompliance with applicable laws with respect to any Benefit Plan that would create any liability for Buyer.

(e) No Benefit Plan is currently or has been within the last three (3) years under audit, inquiry, or investigation by the any governmental entity, and there are no outstanding issues with reference to the Benefit Plans pending before any governmental agency. Other than routine claims for benefits, there are no actions, mediations, audits, arbitrations, suits, claims, or investigations pending or threatened against or with respect to any of the Benefit Plans or their assets, and there are no threatened or pending claims by or on behalf of the Benefit Plans or by any employee of Seller alleging a breach of fiduciary duties or violations of law nor is there any basis for such claims.

3.12 Litigation or Proceedings. Set forth in Schedule 3.12 or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.12 is a list of each lawsuit, claim, action, suit, investigation or legal proceeding relating to the Business to which any Seller is a party or, to Sellers' knowledge, which has been threatened against any Seller or any officer or director of Sellers relating to the Business. Since July 30, 2008, none of the Sellers has been subject to any formal or informal (of which any Seller has received notice) investigations or proceedings of the Department of Health, the United States General

Accounting Office, CMS or other similar governmental agencies (except for any investigations being conducted in the ordinary course of business and applicable to all hospitals in the State of Illinois). Except as disclosed on Schedule 3.12 or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.12, there are no claims, actions, proceedings or investigations of which any Seller has received notice which are pending or, to Sellers' knowledge, threatened challenging the validity or propriety of the transactions contemplated by this Agreement. None of the Sellers is now, nor has any Seller been, a party to any injunction, order or decree restricting the method of the conduct of the Business or the marketing of any of Sellers' services; since July 30, 2008, to Sellers' knowledge, no governmental agency has investigated or requested (other than on a routine basis) information with respect to such methods of business or marketing of related Sellers' services; none of the Sellers has received any claim that any Seller currently violates any federal, state, or local law, ordinance, rule or regulation and, to Sellers' knowledge, no such claim is or has been threatened.

3.13 Hill-Burton and Other Liens. Except as disclosed on Schedule 3.13 and to the knowledge of each Seller after reasonable inquiry, none of the Sellers or any of their predecessors have received any loans, grants or loan guarantees pursuant to the Hill-Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act or the Community Mental Health Centers Act, as amended, or similar laws or acts relating to healthcare facilities that remain unpaid or which impose restrictions on the operation of the Facilities or the Assets.

3.14 Taxes. Sellers have filed all federal, state and local Tax Returns required to be filed by them (all of which are true and correct in all material respects) and have duly paid or made provision for the payment of all Taxes which are due and payable to the appropriate Tax authorities. Each Seller has withheld proper and accurate amounts from its employees' compensation in compliance with all withholding and similar provisions of the Code, including employee withholding and social security Taxes, and any and all other applicable laws. No deficiencies for any of such Taxes have been asserted or threatened, and no audit on any Tax Returns is currently under way or, to the knowledge of Sellers, threatened. There are no outstanding agreements by Seller for the extension of time for the assessment of any such Taxes. To the extent that there currently exist liens for Taxes on any of the Assets or the Facilities, the Assets will be transferred to Buyer free and clear of all such liens at Closing. Except as provided on Schedule 3.14(b), none of the Assets constitutes an ownership interest in a joint venture, partnership or other arrangement or contract that could be treated as a partnership for federal income tax purposes.

### 3.15 Employee Relations.

(a) Set forth in Schedule 3.15(a) or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.15(a) is a list of all of the Employees, their current salary or wage rates, bonus and other compensation, benefit arrangements, accrued sick days, vacation days and holidays, period of service, department and job title or other summary of the responsibilities of such Employees and whether such individual is employed at will or pursuant to contract and whether such Employees are part-time or full-time and union or non-union. Except as set forth in Schedule 3.15(a) or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.15(a), all individuals identified as Employees are employed by the Sellers. Since the Balance Sheet Date and excluding increases made in the ordinary course of business,

there has not been any increase in the compensation payable or to become payable by any Seller to any of its officers, Employees or agents, or any bonus payment or arrangement made to or with any such person, except as described in Schedule 3.15(a) or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.15(a). All of the individuals identified on Schedule 3.15(a) primarily provide services necessary to the operation of the Business or the Facilities.

(b) Sellers shall deliver to Buyer five (5) business days prior to Closing, any revisions to the information described in Section 3.15(a) hereof reflecting any changes in the information initially provided above between such date and the date of this Agreement.

(c) Except as set forth on Schedule 3.15(c), there are no labor unions representing, or collective bargaining agreements or agreements with labor organizations in effect covering, the Employees of any Seller with respect to the operation of the Business or the Facilities. There is no unfair labor practice complaint against any Seller pending, or to the knowledge of the Sellers threatened, before the National Labor Relations Board with respect to the operation of the Business or the Facilities. To the knowledge of the Sellers, there is no labor strike, arbitration, dispute, slowdown or stoppage, and no union organizing campaign, pending or threatened, by or involving the Employees that would materially affect the operation of the Business or the Facilities.

(d) Each Seller has complied in all respects with all legal requirements relating to employment; employment practices; terms and conditions of employment; equal employment opportunity; nondiscrimination; immigration; wages; hours; benefits; payment of employment, social security, and similar taxes; occupational safety and health; and plant closing. Except as set forth in Schedule 3.15(d) or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.15(d), there are no pending or, to Sellers' knowledge, threatened claims before the Equal Employment Opportunity Commission (or comparable state agency), complaints before the Occupational Safety and Health Administration (or comparable state agency), wage and hour claims, unemployment compensation claims, workers' compensation claims, or the like. Sellers have properly classified individuals providing services as independent contractors or employees, as the case may be.

(e) Schedule 3.15(e) sets forth the Employees who had an "employment loss," as such term is defined in the Worker Adjustment and Retraining Notification Act (the "WARN Act"), within the ninety (90) days preceding the Closing; in relation to the foregoing, Sellers have not violated the WARN Act or any similar state or local legal requirements.

(f) All necessary visa or work authorization petitions have been timely and properly filed on behalf of any Employees requiring a visa stamp, I-94 status document, employment authorization document, or any other immigration document to legally work in the United States. All paperwork retention requirements with respect to such applications and petitions have been met. No Employees have ever worked without employment authorization from the Department of Homeland Security or any other government agency that must authorize such employment. I-9 Forms have been timely and properly completed for all Employees. I-9 Forms have been lawfully retained and re-verified. There are no claims, lawsuits, actions, arbitrations, administrative or other proceedings, governmental investigations or inquiries pending or threatened against any Seller relating to such Seller's

compliance with immigration regulations, including, but not limited to, compliance with any immigration laws. There have been no letters received from the Social Security Administration ("SSA") regarding the failure of an Employee's Social Security number to match their name in the SSA database.

3.16 Agreements and Commitments. (a) To the knowledge of the Sellers after reasonable inquiry, Schedule 3.16(a) sets forth an accurate list (identifying which Seller is bound by each) of all commitments, contracts, leases, and agreements, written or oral, relating to the Business or the Assets to which any Seller is a party or by which any Seller or the Assets or any portion thereof is bound which (i) involve future payments, performance of services or delivery of goods or materials, to or by any of the Sellers in an amount exceeding \$10,000 on an annual basis, (ii) regardless of dollar value, are with a Healthcare Provider or (iii) regardless of dollar value, are for the lease of real property (collectively, the "Contracts").

(b) Except as set forth on Schedule 3.16(b) and to the knowledge of the Sellers after reasonable inquiry, each of the Contracts, the Assumed Contracts and the Assumed Leases (i) constitute the entire agreement by and between the parties, (ii) are in full force and effect; and (iii) constitute valid and legally binding obligations of the parties thereto and are enforceable in accordance with their terms against the parties thereto except as enforceability may be limited, restricted or delayed by applicable bankruptcy or other applicable Law affecting creditor's rights and debtor's relief generally and except as enforceability may be subject to general principles of equity. No Seller has given or received a written notice of a material default under any Contract, Assumed Contract or Assumed Lease.

(c) Except as set forth on Schedule 3.16(c), (i) the Sellers have performed their respective obligations required to be performed by them to date under all Assumed Contracts and Assumed Leases, (ii) no Seller is in breach or default thereunder and (ii) there are no liabilities accruing or arising under the Assumed Contracts and Assumed Leases (except for current liabilities accruing or arising in the ordinary course of business under the terms of the Assumed Contracts and Assumed Leases).

3.17 Supplies. All of the inventory and supplies constituting any part of the Assets are of a quality and quantity usable and in the case of finished goods, saleable, in the ordinary course of business of the Business, except for obsolete items and items of below-standard quality, all of which have been written off or written down in the most recent Financial Statements. Inventory and supplies are carried at the lower of cost or market, on a first-in, first-out basis and are properly stated in the Financial Statements. The inventory levels are based on past practices of Sellers at the Facilities.

3.18 Insurance. Set forth on Schedule 3.18 or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.18 is a description of the insurance policies covering the Business and the Assets, which Schedule reflects the policies' numbers, identity of insurers, amounts, and coverage. All of such insurance policies are in full force and effect with no premium arrearage. Sellers have given in a timely manner to their insurers all notices required to be given under their insurance policies with respect to all of the claims and actions covered by insurance, and no insurer has denied coverage of any such claims or actions. Except as set forth on Schedule 3.18 or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.18, no

Seller has (a) received any written notice or other communication from any such insurance company canceling or materially amending any of such insurance policies, and, to Sellers' knowledge, no such cancellation or amendment is threatened or (b) failed to give any required notice or present any claim which is still outstanding under any of such policies with respect to the Facilities or any of the Assets.

3.19 Third Party Payor Cost Reports. Sellers have duly filed all required Sellers' Cost Reports for all fiscal years through and including the fiscal year ended December 31, 2010. All of the Sellers' Cost Reports accurately reflect the information required to be included thereon and such cost reports do not claim and neither the Facilities nor any Seller has received reimbursement in any amount in excess of the amounts provided by law or any applicable agreement. Set forth on Schedule 3.19 or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.19 is a list of which of the Sellers' Cost Reports have not been audited and finally settled and a brief description of any and all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances, and any and all other unresolved claims or disputes in respect of such cost reports. Sellers have established adequate reserves to cover any potential reimbursement obligations that Sellers may have in respect of any such third party cost reports, and such reserves are set forth in the Financial Statements.

3.20 Compliance Program. Sellers have made available to Buyer a copy of the Facilities' current compliance program materials, including, without limitation, all program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies. Except as set forth on Schedule 3.20 or as set forth in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.20, no Seller (a) is a party to an outstanding Corporate Integrity Agreement with the Office of Inspector General of HHS or other governmental entity, or (b) has any reporting obligations pursuant to any settlement agreement entered into with any governmental entity. Set forth on Schedule 3.20 or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.20 is a description of each audit and investigation conducted by any Seller pursuant to its compliance program during the last five (5) years. For purposes of this Agreement, the term "compliance program" refers to provider programs of the type described in the compliance guidance published by the Office of Inspector General of HHS.

3.21 Environmental Matters. Except as set forth in Schedule 3.21 or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.21, Sellers represent as follows:

(a) To the knowledge of the Sellers, the operations and properties of the Business are and have been in material compliance with all applicable Environmental Laws;

(b) No Seller has (nor, to Sellers' knowledge, with respect to the Owned Real Property, has any third party) treated, stored, managed, disposed of, transported, handled released or used any Material of Environmental Concern, except in the ordinary course of the Business and in material compliance with all Environmental Laws;

(c) To the knowledge of the Sellers, there are no Environmental Claims pending or threatened against Sellers regarding the Assets and no circumstances exist that

could reasonably be expected to lead to the assertion of an Environmental Claim against Sellers regarding the Business;

(d) To the knowledge of the Sellers, there are no off-site locations where (a) Materials of Environmental Concern from the Business have been stored or disposed of in material violation of applicable Environmental Laws, and (b) Sellers are a potentially responsible party at any such location under any Environmental Laws;

(e) To the knowledge of the Sellers, (i) there are no underground or above-ground storage tanks located on the Real Property or Leased Real Property, (ii) there is no friable, unmanaged asbestos-containing material (as defined under Environmental Laws) contained in or forming part of any of the Real Property or Leased Real Property buildings; and (iii) there are no PCBs or PCB-containing items unlawfully contained in or forming part of any of the Real Property or Leased Real Property buildings; and

(f) To the knowledge of the Sellers, the operations of the Business are in material compliance with applicable laws concerning Medical Waste.

### 3.22 Intellectual Property Rights.

(a) Schedule 3.22(a) contains a true, complete and correct list of all intellectual property that is owned by Sellers. Except as set forth in Schedule 3.22(a) and to the knowledge of Sellers, all Sellers' Owned Intellectual Property is owned by Sellers or will be transferred at Closing, excluding any Excluded Asset, to the Buyer free and clear of all liens, claims and encumbrances.

(b) Schedule 3.22(b) contains a true, complete and correct list of all intellectual property (other than software available on reasonable terms in consumer retail stores) that is used by Sellers and constitutes all intellectual property (other than the Sellers' Owned Intellectual Property) used in connection with the operation of the Business.

(c) No Seller has received notice of any unresolved claim asserting a conflict with the rights of another person or entity in connection with the use by it of any of the intellectual property listed in Schedule 3.22(a) or Schedule 3.22(b).

3.23 Disclaimer of Warranties. Except as expressly set forth in Article 3, the Assets, will be sold by Sellers and purchased by Buyer in their physical condition at the Closing Date, AS IS, WHERE IS AND WITH ALL FAULTS AND NONCOMPLIANCE WITH LAWS. THERE ARE NO WARRANTIES OF HABITABILITY OR FITNESS FOR HABITATION with respect to the Real Property, land, buildings and improvements and NO WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE with respect to the physical condition of the personal property and inventory. Seller disclaims any and all warranties (both express and implied). All of the foregoing real and personal property shall be further subject to normal wear and tear on the land, buildings, improvements and equipment and normal and customary use of the Inventory in the ordinary course of business up to the Closing Date.

3.24 Certificates of Need. Except as set forth on Schedule 3.24 hereto, no application for any Certificate of Need, Exemption Certificate (each as defined below) or declaratory ruling has been made by any Seller with the Illinois Department of Public Health

(the "State Health Agency") or other applicable agency which is currently pending or open before such agency, and no such application (collectively, the "Applications") filed by any Seller within the past three (3) years has been ultimately denied by any commission, board or agency or withdrawn by any Seller. Sellers have not prepared, filed, supported or presented opposition to any Applications filed by another hospital or health agency within the past three (3) years. Except as set forth on Schedule 3.24 hereto, no Seller has any Applications pending nor any approved Applications which relate to projects not yet completed. Except as set forth on Schedule 3.24 hereto, Sellers have properly filed all required Applications which are complete and correct in all material respects with respect to any and all material improvements, projects, changes in services, zoning requirements, construction and equipment purchases, and other changes for which approval is required under any applicable federal or state law, rule or regulation. As used herein, "Certificate of Need" means a written statement issued by the State Health Agency evidencing community need for a new, converted, expanded or otherwise significantly modified health care facility, health service or hospice, and "Exemption Certificate" means a written statement from the State Health Agency stating that a health care project is not subject to the Certificate of Need requirements under applicable state law.

3.25 Medical Staff Matters. Sellers have provided to Buyer true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of the Hospital, as well as a list of all current members of the medical staff. Except as set forth on Schedule 3.25 or in a writing delivered by Sellers to Buyer which specifically makes reference to this Section 3.25, there are no adverse actions with respect to any medical staff members of the Hospital or any applicant thereto for which a medical staff member or applicant has requested a judicial review hearing which has not been scheduled or has been scheduled but has not been completed, and there are no pending or, to the knowledge of Sellers, threatened disputes with applicants, staff members, or health professional affiliates, and Sellers know of no basis therefor, and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired.

3.26 Receivables. All receivables constituting a part of the Assets represent and constitute bona fide indebtedness owing to a Seller for services actually performed or for goods or supplies actually provided in the amounts indicated on the Financial Statements with no known set-offs, deductions, compromises, or reductions (other than reasonable allowances for bad debts and contractual allowances in an amount consistent with historical policies and procedures of Sellers and which are taken into consideration in the preparation of the Financial Statements). Sellers have made available to Buyer a complete and accurate aging report of all such receivables and a schedule of all receivables, whether recorded or unrecorded, which have been assigned to collection agencies or are otherwise held or assigned for collection.

3.27 Experimental Procedures. During the past five (5) years, Sellers have not performed or permitted the performance of any experimental or research procedures or studies involving patients in the Hospital not authorized and conducted in accordance with the procedures of the Institutional Review Board of the Hospital.

#### 4. REPRESENTATIONS AND WARRANTIES OF BUYER.

As of the date hereof and as of the Closing Date, Buyer represents and warrants to Sellers the following:

4.1 Capacity.

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware with all requisite power and authority to own, operate and lease its properties.

(b) Schedule 4.1(b) contains complete and correct copies of the certificate of formation and all amendments thereto to the date hereof and the limited liability company agreement as presently in effect of Buyer.

4.2 Binding Agreement. This Agreement constitutes the valid, legal and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies. Upon the execution and delivery by Buyer, as applicable, of such other agreements as may be required pursuant to Section 2.3 herein, such agreements will constitute valid, legal and binding obligations of Buyer, enforceable against Buyer in accordance with its terms, subject to the limitations described in the immediately preceding sentence.

4.3 Powers; Consents; Absence of Conflicts With Other Agreements. The execution, delivery, and performance of this Agreement by Buyer, and the execution, delivery and performance by Buyer, of all other agreements referenced herein, or ancillary hereto, to which Buyer, is a party, and the consummation of the transactions contemplated herein by Buyer:

(a) are within Buyer's organizational powers, are not in contravention of law or of the terms of Buyer's organizational and governance documents and have been duly authorized by all appropriate action;

(b) except as set forth on Schedule 4.3(b), do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) except as set forth on Schedule 4.3(c), will not conflict with, require consent under or result in any breach or contravention of, or the creation of any Lien, charge, or encumbrance under, any indenture, agreement, lease, instrument or understanding to which Buyer or its Affiliates is a party or by which it is bound or any of its assets is subject;

(d) will not violate any statute, law, ordinance, rule or regulation of any governmental authority to which Buyer may be subject; and

(e) will not violate any judgment, decree, order, writ or injunction of any court or governmental authority to which Buyer may be subject.

4.4 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

4.5 Litigation. There is no pending or threatened litigation, arbitration, investigation or other proceeding involving Buyer or before any court, arbitrator or governmental, regulatory or administrative official, body or authority that is reasonably likely to prevent or delay the consummation by Buyer of the transactions contemplated by this Agreement.

4.6 Sufficient Funds. Buyer has, on the date hereof, the financial capability and all of the funds (or commitments for all of the funds) required in order to complete this transaction, on the terms contained in this Agreement, and will have all such capability as of the Closing Date.

4.7 Solvency. Buyer is not insolvent and will not be rendered insolvent as a result of any of the transactions contemplated by this Agreement. For purposes hereof, the term "solvency" means that: (a) the fair salable value of Buyer's tangible assets is in excess of the total amount of its liabilities (including for purposes of this definition all liabilities, whether or not reflected on a balance sheet prepared in accordance with generally accepted accounting principles, and whether direct or indirect, fixed or contingent, secured or unsecured, and disputed or undisputed); (b) Buyer is able to pay its debts or obligations in the ordinary course as they mature; and (c) Buyer has capital sufficient to carry on its businesses and all businesses which it is about to engage.

## 5. COVENANTS PRIOR TO CLOSING.

Between the Signing Date and the earlier of the Closing Date or the termination of this Agreement:

### 5.1 Consents and Approvals.

(a) HSR Act. If required by law, each Party agrees to file the appropriate notification and report form pursuant to the HSR Act with respect to the transactions contemplated hereby within ten (10) business days after the date hereof and to supply promptly any additional information and documentary material that may be requested pursuant to the HSR Act. Buyer shall pay all filing fees associated therewith and any other similar filings required in any other jurisdiction.

(b) Government Filings and Reviews. Buyer and Sellers each shall take such reasonable steps and cooperate with and inform one another as may be necessary in order to obtain all consents, approvals, permits or authorizations which are required from any governmental authority (including a Certificate of Need Permit from the State of Illinois, filings with Medicare, Medicaid and the Illinois Department of Public Health) and the Illinois Attorney General in connection with the transactions contemplated by this Agreement, including without limitation, (a) receipt of a Certificate of Need Permit from the Illinois Health Facilities and Services Review Board approving the change of ownership of the Hospital to Buyer, (b) approval by the Illinois Department of Public Health for the issuance to Buyer at Closing of hospital, home health and hospice licenses for the Business, (c) approval of (or documented lack of objection of) the Office of Illinois Attorney General to the change of ownership of Business to Buyer and related disposition of assets, (d) all approvals for Seller to assign to Buyer its Medicare and Medicaid provider numbers, (e) all other approvals of any governmental authority to the extent required to maintain the ongoing status and operate the Business in the ordinary course after Closing, or making of disclosures

to any relevant governmental authority, including, but not limited to, the Centers for Medicare and Medicaid Services, the Illinois Department of Public Health, the Illinois Department of Healthcare and Family Services and the Illinois Attorney General and (f) any other approval, including without limitation all licenses and government approval deemed reasonably necessary by Buyer and its counsel to operate the Hospital and the Business and the approval of, to the extent required, or making disclosures to any relevant governmental and/or regulatory agency, including, but not limited to, the Centers for Medicare and Medicaid Services, the Illinois Department of Public Health, the Illinois Attorney General, any applicable third party payors, to maintain the status of Business after Closing and any other approval deemed reasonably necessary by Buyer and its counsel to operate the Hospital and the Business. Buyer shall pay all filing fees associated therewith.

5.2 Notification of Certain Matters. If Buyer has been notified or if it reasonably believes that any Buyer's representations and warranties as set forth in this Agreement are no longer true and correct, or will not be true and correct as of the Closing Date, Buyer shall promptly deliver written notice to Sellers.

5.3 Negative Covenants of Buyer. Buyer shall not (and shall not agree to) take any action which would: cause Sellers to be in breach of any covenant, representation or warranty contained in this Agreement; have a Material Adverse Effect on the ability of any party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby; or cause any applicable governing authority to deny its approval of the transactions contemplated herein.

5.4 Negative Covenants of Sellers. Sellers shall not (and shall not agree to) take any action which would: cause Buyer to be in breach of any covenant, representation or warranty contained in this Agreement; have a Material Adverse Effect on the ability of any party hereto to perform their respective covenants and agreements under this Agreement and the documents and agreements contemplated hereby; or cause any applicable governing authority to deny its approval of the transactions contemplated herein. Sellers will not, without the prior written consent of Buyer:

(a) except as set forth in Schedule 5.4(a), amend, modify, terminate or cancel any of the Assumed Contracts or Assumed Leases that are Contracts with any physician or any patient referral source to any Seller; provided, however, upon giving notice to Buyer of a breach by the non-Seller party under any such Assumed Contract or Assumed Lease, Sellers shall have the right to take any and all action under applicable law, including, without limitation, the right to terminate or cancel any such Contract;

(b) except as set forth in Schedule 5.4(b), amend, modify, terminate or cancel any of the Assumed Contracts or Assumed Leases except (x) as required under this Agreement or (y) Assumed Contracts or Assumed Leases (other than Contracts with any physician or any patient referral source to any Seller) amended, modified, terminated or cancelled in the ordinary course of business where the effect of such amendment, modification, termination or cancellation would not exceed \$250,000 in any year; provided, however, upon giving notice to Buyer of a breach by the non-Seller party under any such Assumed Contract or Assumed Lease, Sellers shall have the right to take any and all action under applicable law, including, without limitation, the right to terminate or cancel any such Contract;

(c) except as set forth in Schedule 5.4(c), enter into any new Contract (i) with any physician or any patient referral source to any Seller or (ii) where the obligations under each such Contract would exceed \$250,000 in any year, except where Sellers have provided to Buyer the material terms of such Contract prior to entering into such Contract, and in such case, Buyer shall have five (5) business days after Buyer's receipt of such material terms to notify Sellers as to whether it elects to treat such new Contract as an Assumed Contract or Assumed Lease, as applicable, and in the event Buyer elects not to treat any such new Contract as an Assumed Contract or Assumed Lease, as applicable, such Contract shall be an Excluded Asset hereunder and shall not be subject to any further restrictions under this Section 5.4, and in the event Buyer elects to treat such new Contract as an Assumed Contract or Assumed Lease, as applicable, it shall be added to the appropriate Schedule hereto and treated as an Assumed Contract or Assumed Lease, as applicable, hereunder;

(d) increase compensation payable or to become payable or make any bonus payment to or otherwise enter into one or more bonus agreements with any employee at the Facilities, except in the ordinary course of business in accordance with existing personnel policies;

(e) sell, assign, lease, or otherwise transfer or dispose of any property, plant, or equipment except in the ordinary course of business;

(f) take any action outside the ordinary course of business of the Facilities or their related ancillary services;

(g) reduce inventory of the Facilities except in the ordinary course of business; or

(h) enter into any agreement which would have a Material Adverse Effect.

5.5 Conduct of the Hospital Operations. Except as expressly contemplated by this Agreement or the Schedules or as Buyer otherwise consents to in writing, which consent shall not be unreasonably withheld or delayed, Sellers shall conduct the Business in the ordinary course consistent with their past practices. Sellers will:

(a) carry on their business pertaining to the Facilities in substantially the same manner as presently conducted and not make any material change in personnel, operations, finance, accounting policies, or real or personal property pertaining to the Facilities;

(b) maintain the Facilities and all parts thereof in materially the same operating condition, ordinary wear and tear excepted;

(c) perform all of their material obligations under all material agreements relating to or affecting the Facilities or the Assets;

(d) keep in full force and effect present insurance policies or other comparable insurance pertaining to the Facilities; and

(e) use reasonable commercial efforts to maintain and preserve their business organizations intact, retain their present employees at the Facilities, subject to normal turnovers occurring in the ordinary course of business, and maintain relationships with physicians, suppliers, customers, and others having business relations with the Facilities in the ordinary course of business.

#### 5.6 Title and Survey.

(a) Prior to execution of this Agreement, Sellers have provided Buyer with a preliminary title report for title insurance on the Real Property (the "Title Report"), issued by Chicago Title Insurance Company ("CTIC"), together with copies of all items shown as recorded exceptions to title therein. It shall be Buyer's sole responsibility to obtain an unconditional commitment (the "Title Commitment") of CTIC or such other title company selected by Buyer (the "Title Company") to issue its CLTA form of owner's policy of title insurance (the "Title Policy") at Closing in favor of Buyer, subject only to the Real Property Permitted Encumbrances.

(b) Sellers shall deliver copies of all existing surveys, if any, of the Sellers' Owned Real Property to Buyer. Any updated or new ALTA/ASCM surveys (the "Surveys") obtained by Buyer shall be at Buyer's sole expense.

(c) Within twenty (20) days after the later of Buyer's receipt of (i) the Title Commitment (including any revisions thereto based upon the Title Company's review of the Surveys), (ii) legible copies of all exceptions to title referenced therein, and (iii) the Surveys, Buyer shall provide Sellers with a written notice (the "Objection Notice") specifying any matters to which Buyer may object (collectively, "Objections"). Sellers, at their sole cost and expense, shall use commercially reasonable efforts to (a) cure the Objections on or before the Closing, or (b) if acceptable to Buyer, cause the Title Company to delete the Objections from the Title Commitment, or agree to add a provision to the Title Policy obligating the Title Company, within the limits of the Title Policy, to protect Buyer against all loss or damage incurred on account of such Objections. As used in this Section 5.6, Sellers' "commercially reasonable efforts" shall not include any action requiring the expenditure of more than \$100,000. If, by the Closing, Sellers fail to cure any Material Objection (as defined below) in one of the manners provided in (a) or (b) above, then Buyer may waive such Material Objection and close or may terminate this Agreement. Upon termination of this Agreement pursuant to this Section 5.6, no party to this Agreement shall have any further claims under this Agreement against any other party, except as otherwise expressly provided in this Agreement. For purposes of this Section 5.6, the term "Material Objection" means an Objection to any matter that does not constitute a Real Property Permitted Encumbrance. Notwithstanding anything contained in this Section 5.6 to the contrary, at the Closing, Sellers shall cause all monetary Liens on the Sellers' Owned Real Property to be released.

(d) Buyer shall have the right to review and approve (such approval not to be unreasonably withheld, conditioned or delayed) any new exceptions which would appear on the Title Policy issued at Closing to the extent such new exceptions arise after the date that Buyer has provided the Objection Notice to Sellers and are not deemed Real Property Permitted Encumbrances (collectively, the "New Encumbrances"). Any New Encumbrance must be either approved or disapproved by Buyer within ten (10) days of Buyer's receipt of written notice of such New Encumbrance. Any such New Encumbrance not approved or disapproved within such ten (10) day period shall be deemed a Real Property Permitted

Encumbrance for purposes of this Agreement. If Buyer disapproves any New Encumbrance within such ten (10) day period, Sellers shall have the right to terminate this Agreement, in which event neither party shall have any further rights or obligations under this Agreement except for those provisions which expressly survive termination of this Agreement.

5.7 Access to the Real Property. Sellers shall provide Buyer and its representatives with reasonable access to the Real Property upon reasonable advance written notice to Sellers. Buyer shall at all times (and shall cause Buyer's representatives to) conduct its entry onto the Real Property so as to not cause liability, Lien, damage, loss, cost or expense to Sellers or the Real Property, and Buyer hereby agrees to indemnify, defend, and hold Sellers harmless from and against any such liability, Lien, damage, loss, cost or expense. Notwithstanding the foregoing, in no event shall Buyer: (1) conduct any physical testing (environmental, structural or otherwise) at the Real Property (such as soil borings, water samplings or the like) without Sellers' express written consent (which consent shall not be unreasonably withheld or delayed); or (2) contact any tenant under the Sellers' Real Property Expenses Leases or Sellers' Real Property Income Leases with respect to the Real Property without Sellers' express written consent (which shall not be unreasonably withheld subject to any further consent Sellers must obtain). Sellers shall have the right, at their option, to cause a representative of Sellers to be present to all entries onto the Real Property by Buyer or any Buyer representative. Buyer shall schedule any entry (by it or Buyer's representatives) onto the Real Property in advance with Sellers. In the event of any termination hereunder, (A) Buyer shall return all documents and other materials furnished by Sellers with respect to the Real Property, and (B) at Sellers' written request, subject to any contractual limitations, Buyer shall promptly deliver to Sellers true, accurate and complete copies of any written reports relating to the Real Property prepared for or on behalf of Buyer by any third-party. The provisions of this Section shall survive any Closing or earlier termination of this Agreement.

5.8 Sellers' Efforts to Close. Sellers shall use their commercially reasonable efforts to satisfy all of the conditions precedent set forth in this Agreement to the extent that Sellers' action or inaction can control or influence the satisfaction of such conditions.

5.9 Buyer's Efforts to Close. Buyer shall use its commercially reasonable efforts to satisfy all of the conditions precedent set forth in this Agreement to the extent that Buyer's action or inaction can control or influence the satisfaction of such conditions.

5.10 Exclusivity. From the Signing Date until the earlier of the Closing Date or the termination of this Agreement (the "Exclusivity Period"), no Seller will (and will cause their respective Affiliates, officers, employees, directors, agents, investment bankers, attorneys or other representatives or any other person acting on their behalf to not) (a) negotiate with any other persons other than Buyer with respect to any liquidation, dissolution, recapitalization of, merger or consolidation with or into, or acquisition or purchase of all, or any substantial portion of the assets of, or any equity security of any Seller or any other similar transaction or business combination involving Sellers (each, an "Acquisition Transaction"); (b) solicit or respond to any offers, bids, negotiations or inquiries with respect to any Acquisition Transaction; (c) furnish any information with respect to the Business to any such persons, other than Buyer, inquiring about an Acquisition Transaction; or (d) participate in negotiations in respect of the foregoing, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage any effort or attempt by any other person to do or seek to do any of the foregoing.

5.11 Additional Financial Information. Within two (2) business days after they are created (but in any event no later than twenty (20) days following the end of each calendar month prior to Closing), Sellers shall deliver to Buyer true and complete copies of the unaudited balance sheets and the related unaudited statements of income (collectively, the "Interim Statements") of, or relating to, the Facilities for each month then ended, together with a year to date compilation and the notes, if any, related thereto, which presentation shall be true, correct and complete in all material respects, shall have been prepared from and in accordance with the books and records of Sellers, and shall fairly present the financial position and results of operations of the Facilities as of the date and for the period indicated, all in accordance with GAAP consistently applied, except that such financial statements need not include required footnote disclosures.

5.12 Insurance Ratings. To the extent permitted by applicable law, Sellers will take all action reasonably requested by Buyer to enable Buyer to succeed to the Workers' Compensation and Unemployment Insurance ratings, and other ratings for insurance or other purposes established by Sellers for the Facilities. Buyer shall not be obligated to succeed to any such ratings, except as it may elect to do so.

5.13 Tail Insurance. Sellers shall, at their sole cost and expense, obtain "tail" insurance to insure against professional and general liabilities of the Facilities (including any employed physicians) relating to all periods prior to the Closing beginning as of July 30, 2008. The insurance shall be for an unlimited tail period, have coverage levels of \$20,000,000 in the aggregate and name Buyer as an additional named insured.

5.14 Medical Staff Disclosure. To the extent permitted by applicable law, Sellers shall deliver to Buyer a written disclosure containing a brief description of all adverse actions taken against medical staff members or applicants during the past three (3) years which could result in claims or actions against Sellers and which are not disclosed in the minutes of the meetings of the Medical Executive Committee of the Medical Staff of the Hospital, which have been provided to Buyer.

## 6. INDEMNIFICATION.

### 6.1 Indemnity by Buyer.

(a) Buyer shall indemnify, defend and hold harmless each Seller and its respective officers, directors, members and employees (collectively, "Buyer Indemnified Parties") from and against any and all liabilities, losses, damages, demands, claims, suits, actions, judgments, causes of action, assessments, costs and expenses, including, without limitation, interest, penalties, attorneys' fees, any and all expenses incurred in investigating, preparing and defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation (collectively, "Damages"), asserted against, resulting to, imposed upon, or incurred or suffered by any of them, directly or indirectly, as a result or arising out of the following:

(i) any inaccuracy in or breach of any of the representations or warranties made by Buyer in this Agreement (including in each exhibit, schedule, certificate or other written statement delivered pursuant to this Agreement);

(ii) any breach or nonfulfillment of any covenant or agreement of Buyer in this Agreement or the other agreements and documents to be executed and delivered by Buyer pursuant to this Agreement;

(iii) any liability imposed on any Seller to the extent such liability is an Assumed Liability or has been expressly assumed by Buyer pursuant to this Agreement, the Assignment and Undertaking Agreement, or the Assignment and Assumption Agreement; and

(iv) any claim made by a third party with respect to the operation of the Facilities after the Effective Time or Buyer's ownership of the Assets after the Effective Time.

(b) To be entitled to such indemnification, a Buyer Indemnified Party shall give Buyer prompt written notice of the assertion by a third party of any claim with respect to which Buyer Indemnified Party may bring a claim for indemnification hereunder, and in all events must have supplied such notice to Buyer within the period for the defense of such claims by Buyer. Buyer shall have the right, at its own expense and at its own option, to contest any such third party claim and such Buyer Indemnified Party shall cooperate in good faith with Buyer to permit Buyer do so. Should such Buyer Indemnified Party settle or compromise any claim or matter for which an indemnity would be payable by Buyer hereunder without the prior written consent of Buyer, which consent shall not be unreasonably withheld, Buyer shall be relieved of any liability hereunder to such Buyer Indemnified Party with respect to such claim or matter. Notwithstanding the foregoing to the contrary, the failure by any Buyer Indemnified Party to promptly give the Buyer notice shall not impair the Buyer Indemnified Party's rights hereunder except to the extent that Buyer demonstrates that it has been prejudiced thereby.

(c) For purposes of determining whether a breach has occurred or an inaccuracy exists for purposes of this Section 6.1 and calculating the amount of any Damages incurred, arising out of or relating to such breach or inaccuracy, no effect shall be given to any materiality or Material Adverse Effect qualification of any representation or warranty of Buyer.

## 6.2 Indemnity by Sellers.

(a) Each Seller shall indemnify, defend and hold harmless Buyer and its respective officers, directors, employees, members and Affiliates (collectively, the "Seller Indemnified Parties") from and against any and all Damages asserted against, resulting to, imposed upon, or incurred or suffered by any of them, directly or indirectly, as a result or arising out of the following:

(i) any inaccuracy in or breach of any of the representations or warranties made by any Seller in this Agreement (including in each exhibit, schedule, certificate or other written statement delivered pursuant to this Agreement);

(ii) any breach or nonfulfillment of any covenant or agreement of any Seller in this Agreement or the other agreements and documents to be executed and delivered by any Seller pursuant to this Agreement; and

(iii) any of the Excluded Liabilities, including, any claim made by a third party with respect to the operation of the Facilities prior to the Effective Time or Sellers' ownership of the Assets prior to the Effective Time, except with respect to any Assumed Liability (for avoidance of doubt, no Seller shall be obligated to indemnify any Seller Indemnified Party with respect to any claims that arise from any Assumed Liability (including the liabilities that comprise part of the Net Working Capital) even if those liabilities could also be categorized herein as "Excluded Liabilities").

(b) To be entitled to such indemnification, a Seller Indemnified Party shall give Sellers prompt written notice of the assertion by a third party of any claim with respect to which a Seller Indemnified Party may bring a claim for indemnification hereunder, and in all events must have supplied such notice to Sellers within the applicable period for defense of such claims by Sellers. Each Seller Indemnified Party shall have the right to contest any such third party claim, and Sellers shall cooperate in good faith with such Seller Indemnified Party to permit such Seller Indemnified Party to do so. Should such Seller Indemnified Party settle or compromise any claim or matter for which an indemnity may be payable by Sellers hereunder without the prior written consent of Sellers, which consent shall not unreasonably be withheld, the Sellers shall be relieved of any liability hereunder with respect to such claim or matter. Subject to Section 6.5 hereof, notwithstanding the foregoing to the contrary, the failure by any Seller Indemnified Party to promptly give the Sellers notice shall not impair the Seller Indemnified Party's rights hereunder except to the extent that the Sellers demonstrate that they have been prejudiced thereby.

(c) If any third party payor deducts any amount from payments due a Seller Indemnified Party in respect of claims against or amounts owed by any Seller, the Sellers will, within five (5) days after written demand therefor by such Seller Indemnified Party reimburse such Seller Indemnified Party. Such Seller Indemnified Party shall give prompt notice to the Sellers of the assertion of any claim, formal or informal, by any third party payor for which, if deducted by such third party payor, such Seller Indemnified Party would be entitled to reimbursement by the Sellers hereunder and will cooperate in good faith, at no out-of-pocket cost to such Seller Indemnified Party, with the Sellers to permit the Sellers to mitigate the amount of any such claim by any such third party payor.

(d) For purposes of determining whether a breach has occurred or an inaccuracy exists for purposes of this Section 6.2 and calculating the amount of any Damages incurred, arising out of or relating to such breach or inaccuracy, no effect shall be given to any materiality or Material Adverse Effect qualification of any representation or warranty of any of the Sellers.

6.3 Procedure for Indemnification – Non Third Party Claims. Whenever any claim shall arise for indemnification hereunder not involving any demand, claim, action or proceeding made or brought by a third party, including without limitation a federal or state government agency, the indemnified party shall notify the indemnifying party promptly after such indemnified party has actual knowledge of the facts constituting the basis for such claim. The notice to the indemnifying party shall specify, if known, the amount or an estimate of the amount of the Damages arising therefrom. It is understood that such notice shall only be notice of a claim or anticipated claim and shall not create an obligation upon the indemnifying party to defend or reimburse such claim. Subject to Section 6.5 hereof,

notwithstanding the foregoing to the contrary, the failure by any indemnified party to promptly give the indemnifying party notice shall not impair the indemnified party's rights hereunder except to the extent that the indemnifying party demonstrates that it has been prejudiced thereby.

#### 6.4 Limitations.

(a) Buyer and Sellers shall be liable under Section 6.1(a)(i) or Section 6.2(a)(i) (i.e., for misrepresentations and breaches of warranties), as applicable, only when total indemnification claims exceed One Hundred Thousand Dollars (\$100,000), after which Buyer or Sellers, as applicable, shall be liable for all such claims beginning with the first dollar of claims. No party shall be liable for any indemnification pursuant to Section 6.1(a)(i) or Section 6.2(a)(i), as applicable, for any claims for misrepresentations and breaches of warranty which are the basis upon which any other party shall have failed to consummate the transactions described herein pursuant to Section 7.1 or Section 8.1, as applicable, or which are based upon misrepresentations and breaches of warranty which have been waived pursuant to the initial paragraph of Article 7 or Article 8, as applicable. The liability of Buyer and Sellers for indemnification under Section 6.1(a)(i) or Section 6.2(a)(i), respectively, shall be limited to an amount equal to \$6,000,000. Notwithstanding anything to the contrary, the limitations contained in this Section 6.4 shall not apply to any indemnification claims arising under Section 6.1(a)(i) or Section 6.2(a)(i) as a result of the intentional misrepresentation or fraud of Buyer or Sellers, respectively.

(b) No party shall be liable for any indemnification pursuant to Section 6.1(a)(ii) or Section 6.2(a)(ii), as applicable, for any claims for any breach or nonfulfillment of any covenant or agreement in this Agreement which has been waived pursuant to the initial paragraph of Article 7 or Article 8, as applicable. On and after the Closing Date, no party shall be liable for any indemnification pursuant to Section 6.1(a)(ii) or Section 6.2(a)(ii), as applicable, for any claims for any breach or nonfulfillment of any covenant or agreement in this Agreement or the other agreements and documents to be executed and delivered pursuant to this Agreement that by their respective terms are to be performed on or prior to the Closing Date.

(c) The sole and exclusive remedy of Buyer and Sellers against each other arising out of, relating to or connected with this Agreement (or the transactions contemplated thereby) shall be to assert a claim for indemnification under this Article 6. Notwithstanding the foregoing, nothing herein shall limit any right of either party hereto to seek (i) alternative remedies for any and all claims related to fraud of the other party and (ii) specific performance pursuant to Section 12.27.

6.5 Survival Period. No claim for indemnification under Section 6.1(a)(i) or Section 6.2(a)(i) may be asserted hereunder unless the party seeking indemnification gives the other party or parties notice of such action, suit, proceeding or bona fide investigation on or before the expiration of the Survival Period.

#### 7. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER.

The obligations of Buyer to purchase the Assets and assume the Assumed Liabilities in accordance with the terms of this Agreement are subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by Buyer:

7.1 Representations. The representations of each Seller made in this Agreement (including in each exhibit, schedule, certificate or other written statement delivered pursuant to this Agreement) qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects when made and, when read in light of any Schedules which have been updated in accordance with the terms hereof, as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Each Seller shall have duly performed, complied with and satisfied in all material respects all covenants, agreements and conditions required by this Agreement to be performed, complied with or satisfied by it on or prior to the time of the Closing.

7.2 Pre-Closing Confirmations. Sellers and/or Buyer shall have received: (a) a Certificate of Need Permit from the Illinois Health Facilities and Services Review Board approving the change of ownership of the Hospital to Buyer, (b) approval by the Illinois Department of Public Health for the issuance to Buyer at Closing of hospital, home health and hospice licenses for the Business and (c) approval of (or documented lack of objection of) the Office of Illinois Attorney General to the change of ownership of Business to Buyer and related disposition of assets. In addition, while it is acknowledged and agreed that an assignment of the Provider Agreements and Numbers may not be approved and issued by the applicable governmental authority prior to Closing, Buyer shall have no reasonable basis to conclude that the Provider Agreements and Numbers shall not be issued to Buyer upon terms and conditions that are substantially similar to those currently in effect or that are customarily applicable to an entity that is similarly situated to Buyer.

7.3 Action/Proceeding. No action, proceeding, investigation or administrative hearing before a court or any other governmental agency or body shall have been instituted or, to the knowledge of Buyer, threatened against any Seller or Buyer which seeks injunctive relief in anticipation of the sale of the Assets and may reasonably be expected to prohibit the sale of the Assets to Buyer.

7.4 HSR Filings. All filings, if any, required to be made and notices required to be given pursuant to the HSR Act shall have been made, all approvals or consents required thereby shall have been obtained and the waiting periods required thereby, if any, shall have expired or been terminated.

7.5 Delivery of Certain Documents. At the Closing, the Sellers shall have delivered to Buyer all documents, agreements and instruments contemplated by Section 2.2.

7.6 No Investigation. No regulatory investigation or proceeding involving CMS, the Justice Department or any other federal or state agency and involving or related to any Seller that had or reasonably would have a Material Adverse Effect on Sellers shall have been commenced.

7.7 Title Policy. At the Closing, Buyer shall have received, at its sole cost and expense, a pro forma of the Title Policy (or marked Title Commitment containing no additional exceptions to title to the Real Property) from the Title Company. The Title Policy shall be issued in an amount equal to the portion of the Purchase Price being allocated to the Sellers' Owned Real Property and shall insure to Buyer good and marketable fee simple title to the Sellers' Owned Real Property, subject only to the Real Property Permitted Encumbrances. For purposes of this Agreement, "good and marketable fee simple title" shall

mean fee simple ownership to Sellers' Owned Real Property that is: (a) free of all claims, liens and encumbrances other than Real Property Permitted Encumbrances and (b) insurable by the Title Company pursuant to the Title Policy. The Title Policy shall have the standard and general exceptions which are customarily deleted under Illinois conveyancing practice deleted so as to afford full "extended form coverage" and shall contain such other available endorsements as Buyer may reasonably require in connection with its review of the Title Commitment and the Surveys.

7.8 Adverse Change. Since the date hereof, there shall not have occurred any event, change or occurrence that has or could reasonably be expected to have a Material Adverse Effect on the Business, and Sellers shall not have suffered any material change, loss or damage to the Assets, whether or not covered by insurance, which would have a Material Adverse Effect on the Assets.

7.9 Insolvency. No Seller shall (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against any Seller.

7.10 Material Consents. Prior to the Closing Date, Sellers shall use commercially reasonable efforts to send to all third-party entities which are parties to the Assumed Contracts requiring consent to assignment a request for such consent. Buyer shall have obtained all consents, waivers and estoppels of third parties that are material to the consummation of the transactions contemplated in this Agreement (collectively, the "Material Consents") as specified in Schedule 7.10. The Material Consents shall be in form and substance reasonably satisfactory to Buyer.

7.11 Surveys and Reports. Within five (5) business days following the Signing Date, Buyer, in its discretion and at its sole cost, may commission (for delivery no later than thirty (30) days following the Signing Date) from one (1) or more reputable environmental consulting or engineering firms: (i) a report of survey, sampling, assessments and recommendations of friable asbestos-containing materials on the Real Property and Facilities; (ii) a Phase-I environmental site assessment on the Real Property and Facilities conducted in accordance with ASTM Standard Practice for Environmental Site Assessments (E-1257-00); and/or (iii) an architectural and structural report on the Real Property and the Facilities. If the Buyer commissions any such reports within the time frame set forth above, then the scope, findings and conclusions of such reports shall have been reasonably satisfactory to Buyer. Notwithstanding the foregoing, Buyer promptly shall provide Sellers with written notice of any of the foregoing items that are not satisfactory to Buyer and shall afford Sellers at least ten (10) business days to correct or remediate such items before electing not to proceed with Closing. For purposes of this Section 7.11, such reports shall be deemed to be reasonably satisfactory to Buyer if such reports are in substantial conformance with the reports listed in Schedule 7.11.

## 8. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS.

The obligations of the Sellers to sell the Assets and assign the Assumed Liabilities in accordance with the terms of this Agreement are subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by the Sellers:

8.1 Representations. The representations of Buyer made in this Agreement (including in each exhibit, schedule, certificate or other written statement delivered pursuant to this Agreement) qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, when made and, when read in light of any Schedules which have been updated in accordance with the terms hereof, as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Buyer shall have duly performed, complied with and satisfied in all material respects all covenants, agreements and conditions required by this Agreement to be performed, complied with or satisfied by it on or prior to the time of the Closing.

8.2 Pre-Closing Confirmations. Sellers and/or Buyer shall have received (a) a Certificate of Need Permit from the Illinois Health Facilities and Services Review Board approving the change of ownership of the Hospital to Buyer, (b) approval by the Illinois Department of Public Health for the issuance to Buyer at Closing of hospital, home health and hospice licenses for the Business and (c) approval of (or documented lack of objection of) the Office of Illinois Attorney General to the change of ownership of Business to Buyer and related disposition of assets. In addition, while it is acknowledged and agreed that an assignment of the Provider Agreements and Numbers may not be approved and issued by the applicable government authorities prior to Closing, Sellers shall have no reasonable basis to conclude that the Provider Agreements and Numbers shall not be issued to Buyer upon terms and conditions that are substantially similar to those currently in effect or that are customarily applicable to an entity that is similarly situated to Buyer.

8.3 Action/Proceeding. No action, proceeding, investigation or administrative hearing before a court or any other governmental agency or body shall have been instituted or, to the knowledge of Sellers after reasonable inquiry, threatened against any Seller or Buyer which seeks injunctive relief in anticipation of the sale of the Assets and may reasonably be expected to prohibit the sale of the Assets to Buyer.

8.4 HSR Filings. All filings, if any, required to be made and notices required to be given pursuant to the HSR Act shall have been made, all approvals or consents required thereby shall have been obtained and the waiting periods required thereby, if any, shall have expired or been terminated.

8.5 Delivery of Certain Documents. At the Closing, Buyer shall have delivered to Sellers all documents, agreements and instruments contemplated by Section 2.3.

8.6 No Investigation. No regulatory investigation or proceeding involving CMS, the Justice Department or any other federal or state agency and involving or related to Buyer that had or reasonably would have a Material Adverse Effect on Buyer shall have been commenced.

## 9. PARTICULAR COVENANTS OF BUYER.

9.1 Capital Expenditures. During the first five (5) years after the Closing Date, Buyer shall, in connection with the operation of the Facilities, expend an aggregate amount of no less than Twenty Million Dollars (\$20,000,000.00) for investment in equipment upgrades, information systems, infrastructure improvements, and working capital at the Facilities.

### 9.2 Employees.

(a) Buyer shall offer at-will employment to substantially all of the employees who are actively employed by any Seller immediately prior to the Effective Time who satisfy Buyer's standard policies and conditions for employment, and as otherwise provided herein below (the employees who accept such an offer and commence employment with Buyer or its designated Affiliate are collectively referred to herein as the "Transferred Employees"). Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of Buyer with respect to employees. Nothing herein shall be deemed to create or grant to any such employee or Transferred Employee third-party beneficiary rights or claims or causes of action of any kind or nature. For purposes of this subsection, "active" employees shall include (i) employees who are on maternity or paternity leave and are entitled to reemployment rights under applicable state law, (ii) employees who are on leave pursuant to the Family and Medical Leave Act and are entitled to reemployment rights under such law, and (iii) employees who are on leave due to service in the uniformed services pursuant to the Uniform Services Employment and Reemployment Rights Act of 1994 and are entitled to reemployment rights under such law.

(b) As of the Effective Date, Buyer shall take the following actions: (i) waive any limitations regarding pre-existing conditions and eligibility waiting periods under any health plans maintained for the benefit of the Transferred Employees, except to the extent the Transferred Employees have not satisfied such limitations under the current welfare benefit plans of Sellers or such waiver of pre-existing conditions is not permitted under one or more of Buyer's short-term or long-term disability plans provided through insurance contracts or policies, (ii) provide each Transferred Employee with credit for any co-payments and deductibles paid prior to the Effective Date in satisfying any applicable deductible or out-of-pocket requirements under such health plans, following receipt by Buyer of reasonable evidence of any such deductibles or co-payments, Sellers shall provide to Buyer within thirty (30) days of Closing, the amount of such deductibles or co-payments through the Effective Time, in such electronic or other format as reasonably required by Buyer, and shall update any later-credit deductible or co-payment amounts on a monthly basis thereafter to the extent Sellers have such information, and (iii) for purposes of eligibility, vesting and future accruals under the plans and policies of Buyer, treat all service by the Transferred Employees with any Seller and its Affiliates immediately prior to the Effective Time as service with Buyer.

(c) Buyer shall take all actions necessary to avoid any liability on the part of each Seller under any WARN Act or under any applicable employment or labor law due to Buyer's failure to perform under this Agreement or as a result of the sale of the Assets to Buyer contemplated herein, Buyer shall indemnify and defend each Seller against any such claim and/or liability.

9.3 Local Governing Board. As soon as reasonably possible following the Closing Date, Buyer shall take all steps necessary to form a local governing board at the Hospital. The

local governing board shall be comprised of members of the medical staff, community members, and executive officers of the Hospital and shall provide, subject to the ultimate authority and control of Buyer's board of managers, oversight and guidance regarding hospital operations. Buyer shall appoint the initial members of the local governing board.

9.4 Continued Operation of Hospital. For no less than five (5) years following the Closing Date, Buyer shall operate the Hospital as an acute care hospital with an independent medical staff and an open and accessible emergency department.

9.5 Maintenance of Core Services. For no less than five (5) years following the Closing Date, Buyer shall cause the Hospital to provide all essential services, including an open and accessible emergency department, currently provided at the Hospital. For no less than one (1) year following the Closing Date, Buyer shall cause the Hospital to maintain all current hospital categories of service.

9.6 Charity Care. For no less than five (5) years following the Closing Date, Buyer shall maintain a charity care policy and an admissions policy no more restrictive than the policy in place at the Hospital as of the Closing Date.

9.7 Medical Staff. To ensure continuity of care in the community, Buyer agrees that the Hospital's medical staff members in good standing as of the Effective Time shall maintain medical staff privileges at the Hospital as of the Effective Time. On and immediately after the Effective Time, the medical staff will be subject to the Hospital's medical staff bylaws then in effect.

9.8 Access to Records including as to Recovery and Audit Information. If any entity, governmental agency or person makes a claim, inquiry or request to Buyer or Sellers relating to Sellers' pre-Closing activities (including but not limited to a notice to Buyer or Sellers from a person responsible for retroactive payment denials, including recovery audit contractors) of their intent to review Facilities' claims with respect to the time prior to the Closing Date or otherwise seeks any information pertaining to Sellers; Buyer shall: (i) comply with all requests from such entity or person in a timely manner; (ii) comply with all other applicable laws and regulations; (iii) forward to Sellers all communications and/or documents sent to such person or entity or received from such person or entity within five (5) business days of Buyer's delivery or receipt of such communications and/or documents and (iv) provide Sellers and their agents and attorneys upon reasonable request with access to records, information and personnel necessary for any appeal or challenge regarding any such retroactive payment denials. Buyer shall take appropriate steps to comply with any pre-litigation request for the preservation of electronic and other documentary records. Buyer shall retain all records required to be maintained under any Healthcare Law or as condition to participation under any governmental reimbursement program referenced in or established by a Healthcare Law.

## 10. PARTICULAR COVENANTS OF SELLERS.

10.1 Terminating Cost Report. Sellers shall furnish to Buyer a copy of the terminating cost reports filed timely on behalf of the Facilities in respect of the Medicare and Medicaid programs, or any successor governmental program, reflecting consummation of the transactions contemplated hereby no later than one hundred fifty (150) days after the Closing. Buyer shall also provide Sellers upon reasonable request with the access to records,

information and personnel necessary for Sellers or their agents to prepare such terminating cost reports. Buyer shall forward to Sellers any and all correspondence relating to the Sellers' Cost Reports within five (5) business days after receipt by Buyer. Buyer shall remit any receipts of funds relating to the Sellers' Cost Reports within ten (10) business days after receipt by Buyer and shall forward to Sellers any demand for payments within three (3) business days after receipt by Buyer. Sellers shall retain all rights to the Sellers' Cost Reports including any amounts receivable or payable in respect of such reports or reserves relating to such reports. Such rights shall include the right to appeal any Medicare or Medicaid determinations relating to the Sellers' Cost Reports. Sellers shall retain the originals of the Sellers' Cost Reports, correspondence, work papers and other documents relating to the Sellers' Cost Reports. Sellers will furnish copies of such cost reports, correspondence, work papers and other documents to Buyer upon request.

10.2 Use of Controlled Substance Permits. To the extent permitted by applicable law, Buyer shall have the right, for a period not to exceed one hundred twenty (120) days following the Closing Date, to operate under the licenses and registrations of Sellers relating to controlled substances and the operations of pharmacies and laboratories, until Buyer is able to obtain such licenses and registrations for itself. In furtherance thereof, Sellers shall execute and deliver to Buyer at or prior to the Closing a limited power of attorney substantially in the form of Exhibit A hereto.

10.3 Quality Reporting. Sellers shall submit all quality data required under the HQI Program to CMS or its agent, and all quality data required under ORYX to The Joint Commission, for any calendar quarter with reporting deadlines between the Signing Date and the Closing Date. If a calendar quarter ends prior to the Closing Date, but the reporting deadline for such quarter ends after the Closing Date, Sellers shall prepare and submit the quality data for the Facilities required under the HQI Program and ORYX in accordance with applicable filing deadlines and in the form and manner required by CMS and The Joint Commission, respectively, or, at the sole option of Buyer, Sellers shall transmit such quality data to Buyer in a form mutually agreeable to Buyer and Sellers or allow Buyer access to such data, to enable Buyer to submit quality data for the Facilities required under the HQI Program and ORYX for such quarter. If the Closing Date falls between the first and last day of a calendar quarter, Sellers shall cooperate with Buyer to ensure that all quality data required to be submitted for the Facilities under the HQI Program and ORYX for the portion of the quarter during which Sellers owned the Facilities can be aggregated with the quality data for the portion of the quarter during which Buyer owned the Facilities, to enable Buyer to submit the quality data for the Facilities required under the HQI Program and ORYX in accordance with applicable filing deadlines and in the form and manner required by CMS and The Joint Commission, respectively.

10.4 Sellers' Covenant Not to Compete. Sellers hereby covenant that at all times from the Closing Date until the fifth (5th) anniversary of the Closing Date, Sellers and their Affiliates shall not, directly or indirectly, except as a consultant or contractor to or of Buyer (or any Affiliate of Buyer), own, lease, manage, operate, control, or participate in any manner with the ownership, leasing, management, operation or control of any acute care hospital, specialty hospital, rehabilitation facility, diagnostic imaging center, ambulatory or other type of surgery center, home health or hospice agency, urgent care center, or physician clinic or physician medical practice (each, a "Competing Business"), within a 25-mile radius of the Hospital, without Buyer's prior written consent (which Buyer may withhold in its sole and absolute discretion). In the event of a breach of this Section 10.4, Sellers recognize that

monetary damages shall be inadequate to compensate Buyer and Buyer shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the costs (including attorneys' fees) of securing such injunction to be borne by Sellers. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other remedy available to it for such breach or threatened breach. All parties hereto hereby acknowledge the necessity of protection against the competition of Sellers and their Affiliates and that the nature and scope of such protection has been carefully considered by the parties. Sellers further acknowledge and agree that the covenants and provisions of this Section 10.4 form part of the consideration under this Agreement and are among the inducements for Buyer entering into and consummating the transactions contemplated herein. The period provided and the area covered are expressly represented and agreed to be fair, reasonable and necessary. The consideration provided for herein is deemed to be sufficient and adequate to compensate for agreeing to the restrictions contained in this Section 10.4. If, however, any court determines that the foregoing restrictions are not reasonable, such restrictions shall be modified, rewritten or interpreted to include as much of their nature and scope as will render them enforceable. Notwithstanding the foregoing, the foregoing covenant not to compete shall not prohibit any Seller or their respective Affiliates, directly or indirectly, from owning, leasing, managing, operating, controlling or participating in any manner in rehabilitation facility or home health agency to the extent such Competing Business comprises a part of a continuing care retirement community, skilled nursing facility or other senior care facility. For avoidance of doubt, nothing herein shall prohibit or otherwise restrict Enrique Beckmann, M.D., PhD, directly or indirectly, from directly or indirectly, from owning, leasing, managing, operating, controlling or participating in any manner in a Competing Business.

## 11. TERMINATION.

11.1 Optional Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by the mutual agreement of Buyer and the Sellers;
- (b) by Buyer in accordance with the provisions of Section 1.12, Section 5.6 or Section 7.11 or by Sellers in accordance with the provisions of Section 5.6;
- (c) (i) by Sellers, if Buyer commits a material breach of any of the terms hereof, which cannot be or has not been cured within twenty (20) days after the giving of written notice to the breaching party of such breach; or (ii) by Buyer, if any Seller commits a material breach of any of the terms hereof, which cannot be or has not been cured within twenty (20) days after the giving of written notice to the breaching party of such breach;
- (d) by Sellers, if satisfaction of any condition in Article 8 is or becomes impossible and Sellers have not waived such condition in writing (provided that the failure to satisfy the applicable condition has occurred by reason other than (i) through the failure of Sellers to comply with their obligations under this Agreement or (ii) Buyer's failure to provide its closing deliveries on the Closing Date as a result of Sellers not being ready, willing and able to close the transaction on the Closing Date);
- (e) by Buyer, if satisfaction of any condition in Article 7 is or becomes impossible and Buyer has not waived such condition in writing (provided that the failure to satisfy the applicable condition has occurred by reason other than (i) through the failure of

Buyer to comply with its obligations under this Agreement or (ii) any Seller's failure to provide its closing deliveries on the Closing Date as a result of Buyer not being ready, willing and able to close the transaction on the Closing Date); or

(f) by the Sellers or Buyer, if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply in all material respects with its obligations under this Agreement) prior to April 1, 2012.

11.2 Notice of Abandonment. In the event of any termination pursuant to Section 11.1, written notice shall forthwith be given to the other parties hereto except with respect to a termination pursuant to Section 11.1(a).

11.3 Effect of Termination. If this Agreement is terminated pursuant to Section 11.1, this Agreement shall be null and void and all rights and obligations of Sellers and Buyer hereunder shall terminate without any liability of any party to any other party, except that nothing herein shall prevent either party hereto from pursuing any of its legal rights or remedies that may be granted to any party by law against the other party to this Agreement as a result of any default by the other party in the observance or in the due and timely performance by such party of any of the covenants herein contained.

## 12. GENERAL.

12.1 Supplements to Schedules. From time to time prior to the Closing Date, Sellers will promptly supplement or amend any Schedules delivered pursuant to this Agreement: (a) if any matter hereafter arises which, if existing or occurring at the Signing Date, would have been required to be set forth or described in such supplemental or amended Schedule or (b) if it becomes necessary to correct any information in any such Schedule or in this Agreement which has become inaccurate. For purposes of determining the accuracy of the representations and warranties of Sellers contained in this Agreement in order to determine the fulfillment of the closing condition set forth in Section 7.1 of this Agreement and whether a breach has occurred pursuant to Section 11.1(e) of this Agreement, the Schedules shall be deemed to include only that information contained therein on the date of this Agreement and shall be deemed to exclude any information contained in any subsequent supplement or amendment thereto. Notwithstanding anything contained herein to the contrary, the inclusion of new or different information on a Schedule following the Signing Date shall not prejudice or otherwise affect Buyer's right to seek relief for Sellers' breach of a representation or warranty or affect Buyer's right to indemnification under Section 6.2 (based upon the Schedule as of the Signing Date without taking into account any modification, update or amendment), subject to the limitations set forth in Section 6.4.

12.2 Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of any party, the other parties shall execute such additional instruments and take such additional acts as are reasonably necessary to effectuate this Agreement. In addition and from time to time after Closing, Sellers shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as Buyer reasonably may request, more effectively to convey and transfer full right, title, and interest to, vest in, and place Buyer in legal and actual possession of, any and all of the Facilities and the Assets. Sellers shall also furnish Buyer with such information and documents in their possession or under their control, or which Sellers can

execute or cause to be executed, as will enable Buyer to prosecute any and all petitions, applications, claims, and demands relating to or constituting a part of the Facilities or the Assets. Additionally, Sellers shall cooperate and use their commercially reasonable efforts to have their present directors, officers, and employees cooperate with Buyer, at Buyer's sole cost and expense, on and after Closing in furnishing information, evidence, testimony, and other assistance in connection with any action, proceeding, arrangement, or dispute of any nature with respect to matters pertaining to all periods prior to Closing in respect of the items subject to this Agreement. Buyer shall cooperate and use its commercially reasonable efforts to have their directors, officers, and employees cooperate with Sellers, at Sellers' sole cost and expense, on and after Closing in furnishing information, evidence, testimony, and other assistance in connection with any action, proceeding, arrangement, or dispute of any nature with respect to matters pertaining to Excluded Assets or Excluded Liabilities.

12.3 Consents, Approvals and Discretion. Whenever this Agreement requires any consent or approval to be given by any party or any party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

12.4 Waiver of Jury Trial. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.5 Governing Law. This Agreement, and all claims and causes of action arising out of, based upon, or related to this Agreement or the negotiation, execution or performance hereof, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the State of Illinois, without regard to choice or conflict of law principles that would result in the application of any laws other than the laws of the State of Illinois.

12.6 Legal Fees and Costs. In the event a party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs, and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled.

12.7 Benefit/Assignment. Subject to the provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns; provided, however, that no party may assign this Agreement without the prior written consent of the other parties. At the request of Buyer, Sellers shall transfer the Assets and the Assumed Liabilities to Buyer and its Affiliates (the "Buyer Entities") as specified on Exhibit B to this Agreement. Notwithstanding the provisions of Section 12.22 hereof, the Buyer Entities shall be third-party beneficiaries of this Agreement and shall also be obligated as to the Assumed Liabilities so transferred.

12.8 Finders, Brokerage. Sellers agree to indemnify the Seller Indemnified Parties from and against all loss, cost, damage or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by Sellers.

12.9 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the parties agree as follows: (a) Sellers will pay the fees, expenses and disbursements of Sellers and their respective agents, advisers, attorneys and accountants incurred in connection with the subject matter hereof; and (b) Buyer shall pay the fees, expenses and disbursements of Buyer and its agents, advisers, attorneys and accountants incurred in connection with the subject matter hereof and any amendments hereto; including without limitation all expenses of inspecting the Facilities and Assets; all transfer and recording taxes and fees relating to the recordation of Sellers' deeds; and all filing fees made pursuant to Section 5.1(a) and Section 5.1(b).

12.10 Confidentiality. It is understood by the parties that any information provided by another party (the "Providing Party") concerning such Providing Party, obtained directly or indirectly, from the Providing Party in connection with transactions contemplated by this Agreement ("Confidential Information"), and the documents and instruments delivered to, a receiving party (the "Receiving Party") or its shareholders, members, managers, directors, Affiliates, officers, employees, advisors, attorneys, accountants, investment bankers or agents of the Receiving Party (collectively, "Agents") are of a confidential and proprietary nature. To the extent permitted by law, the Receiving Party agrees that it will and will use its reasonable efforts to cause the Agents to maintain the confidentiality of all such information, documents or instruments acquired by or delivered to the Receiving Party and the Agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions and covenants hereof and only to disclose such information, documents and instruments to such duly authorized persons as are necessary to effect the transactions contemplated hereby. The parties further agree that if the transactions contemplated hereby are not consummated, the Receiving Party and its Agents will return all documents and instruments acquired from the Providing Party or its Affiliates and all copies thereof in their possession to the Providing Party, and the Receiving Party will not use, and will not knowingly permit others to use, any such Confidential Information in any way to compete with the Providing Party or Providing Party's respective Affiliates, successors or assigns or in a manner which would be detrimental to the business, financial affairs or reputations of the Providing Party or Providing Party's respective officers and Affiliates, successors and assigns. Each party for itself and its Agents recognizes that any breach of this Section would result in irreparable harm to the Providing Party and the Providing Party's respective officers and Affiliates and that therefore either the Providing Party, or any of the Providing Party's respective officers and Affiliates shall be entitled to an injunction to prohibit any such breach by the Receiving Party and the Receiving Party's Agents in addition to all of their other legal and equitable remedies. Nothing in this Section shall prohibit the use of such Confidential Information, documents or information for such governmental filings as are required by law or governmental regulations or the disclosure of such Confidential Information if such disclosure is compelled by judicial or administrative process or, in the reasonable opinion of a party's counsel, other requirements of law. For purposes hereof, Confidential Information shall not include information (a) ascertainable or obtained from public or published information, (b) received from a third party not known by the Receiving Party to be under an obligation to the Providing Party to keep such information confidential, (c) which is or becomes known to the public (other than through a breach of this Agreement), (d) which was in the Receiving Party's possession prior to the disclosure thereof to Buyer in connection herewith, or (e) which the Providing Party utilized in any materials used in connection with the Providing Party's solicitation of buyers for the Assets (prior to any such buyers executing an applicable confidentiality agreement), as applicable. Notwithstanding anything contained herein, the parties acknowledge and understand that this Agreement and all Schedules thereto

will be filed by the Sellers with the Illinois Health Facilities and Services Review Board and will, at that time, become a matter of public record and will be the subject of public hearings. It is further understood and agreed that any such filings or hearings and any public discussions or releases regarding any such filings or hearings shall not constitute or be interpreted as a violation of this Section 12.10.

12.11 Preservation and Access to Records After the Closing.

(a) With regard to patient records, after the Effective Time, Buyer shall use its best efforts to maintain the patient records held at the Hospital relating to periods prior to the Effective Time in all material respects in accordance with applicable law and Joint Commission standards.

(b) Each party hereto acknowledges that, subsequent to the Closing, the other parties may need access to information or documents in the control or possession of such party or to such party's employees for the purposes of concluding the transactions contemplated hereby, audits, compliance with governmental requirements and regulations, confirming compliance herewith and the prosecution or defense of third party claims. Accordingly, Sellers and Buyer agree that for a period of six (6) years after the Effective Time, each shall make reasonably available to the other's representatives or agents, independent auditors and/or governmental agencies or authorities, upon written request and at the expense of the requesting party, such documents and information as may be available relating to the Business for periods prior and subsequent to the Closing and access to such party's employees to the extent reasonably necessary to facilitate concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, confirming compliance herewith and the prosecution or defense of claims.

12.12 Waiver. The waiver by any party of a breach or violation of any term or provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same provision by any party or of the breach of any other term or provision of this Agreement. The delay or a failure of a party to transmit any written notice hereunder shall not constitute a waiver by such party of any default hereunder or of any other or further default under this Agreement except as may expressly be provided for by the terms of this Agreement.

12.13 Tax Allocation. The Buyer agrees that the allocation of the Purchase Price as mutually agreed by Sellers and Buyer at Closing shall be used by Buyer and Sellers for all federal and state income tax purposes, and shall be set forth in a statement prepared in accordance with Section 1060 of the Code, which statement shall be prepared in a manner generally consistent with the form of Internal Revenue Service Form 8594. Each party hereto shall file a copy of such statement as required by applicable law. Notwithstanding the foregoing, Sellers and Buyer hereby acknowledge and agree that in no event shall the allocation of the Purchase Price with respect to the equipment purchased hereunder exceed the book value of the equipment as reflected in the Financial Statements of Sellers as of the Balance Sheet Date.

12.14 Interpretation. Each of the parties has agreed to the use of the particular language of the provisions of this Agreement including all attached Schedules and any questions of doubtful interpretation shall not be resolved by any rule or interpretation against the draftsman but rather in accordance with the fair meaning thereof, having due regard to the

benefits and rights intended to be conferred upon the parties hereto and the limitations and restrictions upon such rights and benefits intended to be provided.

12.15 Notice. Any notice, demand or communication required, permitted, or desired to be given hereunder shall be in writing and shall be deemed effectively given when personally delivered, when received by overnight courier, or five (5) calendar days after being deposited in the United States mail by prepaid certified mail, return receipt requested, addressed as follows:

Sellers:	MetroSouth Medical Center c/o Falcon Investors, LLC 500 Mamaroneck Ave, Suite 406 Harrison, NY 10528 Attn: David Reis
With a copy to:	Hinckley, Allen & Snyder LLP 20 Church Street Hartford, CT 06103 Attn: William S. Fish, Esq. and Sarah M. Lombard, Esq.
Buyer:	Blue Island Illinois Holdings, LLC c/o Community Health Systems Professional Services Corporation 4000 Meridian Boulevard Franklin, Tennessee 37067 Attention: Senior Vice President - Development
With a copy to:	c/o Community Health Systems Professional Services Corporation 4000 Meridian Boulevard Franklin, Tennessee 37067 Attention: General Counsel

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

12.16 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms, including, without limitation, those terms which contemplate or require the further agreements of the parties. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid or enforceable.

12.17 Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

12.18 Divisions and Headings. The divisions of this Agreement into Sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

12.19 Consented Assignment. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order or purchase order if an attempted assignment thereof without the consent of another party thereto would constitute a breach thereof or in any material way affect the rights of Sellers thereunder, unless such consent is obtained. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect Sellers' rights thereunder so that Buyer would not in fact receive all such rights, Sellers shall cooperate in any reasonable arrangement designed to provide for Buyer the benefit under any such claims, rights, contracts, licenses, leases, commitments, sales orders or purchase orders, including, without limitation, enforcement, at no out-of-pocket cost to Sellers, of any and all rights of Sellers against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

12.20 Survival. Except as otherwise provided herein, the representations and warranties made by the parties herein shall survive the Closing but shall expire two (2) years after the Closing Date (the "Survival Period"). Notwithstanding the foregoing, this Section 12.20 shall not provide third parties any benefit or longer period of time in which to assert a claim beyond that which is provided by the relevant statute of limitations.

12.21 Misdirected Payments. To the extent there are any misdirected funds forwarded to any Seller (or any of its Affiliates) by any third party after the Effective Time, which misdirected funds are paid in respect of any Asset or in respect of the performance of services by or on behalf of the Business at any time on and after the Effective Time, Sellers shall remit such misdirected funds to Buyer within seven (7) days after receipt thereof, to the account(s) designated by Buyer. Furthermore, Sellers and Buyer understand and agree that all payments by third party payors in respect of licensed provider numbers for goods and services provided at the Hospital or the Facilities on and after the Effective Time ("Post-Closing Payments") shall be solely for the account of Buyer. Sellers hereby irrevocably assign to Buyer, subject to applicable law, all right, title and interest Sellers may have in respect of such Post-Closing Payments and hereby agree to remit to Buyer such Post-Closing Payments within seven (7) days after Sellers' receipt thereof. In the event that, following Closing, Buyer suffers any offsets against reimbursement under any third-party payor or reimbursement programs due to Buyer, relating to amounts owing under any such programs by any Seller or any of its Affiliates, Sellers shall promptly upon demand from Buyer pay to Buyer the amounts so billed or offset.

12.22 No Third-Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of Buyer and Sellers and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Agreement shall not confer, third party beneficiary rights upon any other person.

12.23 Entire Agreement/Amendment. This Agreement supersedes all prior contracts, understandings and agreements, whether written or oral, and constitutes the entire agreement of the parties respecting the within subject matter and no party shall be entitled to benefits other than those specified herein. As between or among the parties, no oral

statements or prior written material not specifically included herein shall be of any force and effect; the parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. No terms, conditions, warranties, or representations, other than those contained herein and no amendments or modifications hereto, shall be binding unless made in writing and signed by the party to be charged.

12.24 Counterparts. This Agreement may be executed in multiple originals or counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. The facsimile signature of any party to this Agreement or any contract delivered in connection with the consummation of the transactions described herein or a PDF copy of the signature of any party to this Agreement or any contract delivered in connection with the consummation of the transactions described herein delivered by facsimile or electronic mail for purposes of execution or otherwise, is to be considered to have the same binding effect as the delivery of an original signature on an original contract.

12.25 Risk of Loss. Subject to the provisions of Section 1.12, the risk of loss in respect of casualty to the Assets shall be borne by Sellers through the Effective Time and by Buyer thereafter.

12.26 Press Releases. (a) Any release to the public of information concerning this Agreement or the transactions contemplated hereby will be made only in the form and manner approved by each of the parties hereto, and (b) each party shall furnish the other with drafts of all such releases prior to their publication or dissemination.

12.27 Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions (without the need to post bond or other security) to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

✓ 12.28 Closing Subject to Approval of Illinois Health Facilities and Services Review Board. Notwithstanding any other provision of this Agreement, this Agreement shall be subject to receipt of, and Closing shall not take place until after receipt of, Certificate of Need Permit approval of the Illinois Health Facilities and Services Review Board for the change of ownership of the Hospital from Seller to Buyer, as required by the Illinois Health Facilities Planning Act (20 ILCS 3960) and regulations promulgated thereunder.

12.29 Transfer of Custody of Medical and Business Records. Notwithstanding anything contained herein, any access to or copies of any medical or business records of any Seller shall only be provided in a manner, and to the extent, permitted under applicable laws, rules and regulations, including without limitation HIPAA. The parties will negotiate and execute any required business associate agreement to facilitate Sellers access to records as is necessary for billing and collection for pre-Closing services of Sellers and program compliance.

12.30 Waiver of Bulk Sales Compliance. Buyer hereby waives compliance by Sellers with the requirements, if any, of Article 6 of the Uniform Commercial Code as in force in any state in which the Assets are located and all other similar laws applicable to bulk sales and transfers.

12.31 CHS Guaranty. CHS hereby unconditionally and absolutely guarantees the prompt performance and observation of Buyer for each and every obligation, covenant and agreement of Buyer arising out of, connected with, or related to, this Agreement or any ancillary documents hereto and any extension, renewal and/or modification thereof. The obligation of CHS under this Section 12.31 is a continuing guaranty and shall remain in effect, and the obligations of CHS shall not be affected, modified or impaired upon the happening from time to time of any of the following events, whether or not with notice or consent of CHS:

(a) The compromise, settlement, release, change, modification, amendment (except to the extent of such compromise, settlement, release, change, modification or amendment; provided, however, in the event CHS consents to the same, CHS shall be subject to such compromise, settlement, release, change, modification or amendment) of any or all of the obligations, duties, covenants, or agreements or any party under this Agreement or any ancillary documents hereto; or

(b) The extension of the time for performance of payment of money pursuant to this Agreement, or of the time for performance of any other obligations, covenants or agreements under or arising out of this Agreement or any ancillary documents hereto or the extension or the renewal thereof.

12.32 Transition Patients. To compensate Sellers for services rendered and medicine, drugs and supplies provided up to the Effective Time (the "Transition Services") with respect to patients who are admitted to the Hospital prior to the Effective Time but who are not discharged until after the Effective Time, or patients who are undergoing an episode of care that commenced prior to the Effective Time and continues after the Effective Time (such patients being referred to herein as the "Transition Patients"), the parties shall take the following actions:

(a) As soon as practicable after the Closing Date, there shall be delivered to both parties a statement itemizing the Transition Services provided by each of the parties to Transition Patients whose medical care is paid for, in whole or in part, by Medicare, Medicaid, TRICARE, Blue Cross or any other third party payor who pays on a DRG, case rate or other similar basis (the "DRG Transition Patients"). Buyer shall pay to Sellers an amount equal to (i) the total DRG and outlier payments (including capital and any deposits, deductibles or co-payments received by Buyers or Sellers) per the remittance advice received by Buyer on behalf of a DRG Transition Patient, multiplied by a fraction, the numerator of which shall be the total charges for the Transition Services provided to such DRG Transition Patient by Sellers, and the denominator of which shall be the sum of the total charges for all services provided to such DRG Transition Patient by Sellers and Buyer both up to and after the Effective Time, minus (ii) any deposits, deductibles or co-payments made or payable by such DRG Transition Patients to Sellers.

(b) As of Effective Time, cut-off billings ("Interim Billings") for all Transition Patients not covered by Section 12.32(a) shall be prepared and sent following the discharge

of the patient from the Hospital. Any payments received by either Buyer or Sellers for such Interim Billings are the property of Sellers and shall be paid to Sellers, when and as received by Buyer, within seven (7) business days of receipt.

(c) If Buyer receives any amounts from the Medicare, Medicaid or other third party payor program for disproportionate share payments, periodic interim payments ("PIP") or costs paid for on a pass-through basis, such as capital costs, associated with the operation of the Hospital prior to the Effective Time, Buyer shall tender the amount applicable to the period up to the Effective Time to Sellers within seven (7) business days of receipt. If Sellers receive any amounts from the Medicare, Medicaid or other third party payor program for disproportionate share payments, PIP or pass-through costs, such as capital costs, associated with the operations of the Hospital relating to periods after the Effective Time, Sellers shall tender the same to Buyer within seven (7) business days of receipt. It is the intent of the parties that Buyer and Sellers shall receive disproportionate share payments, PIP payments and pass-through costs payments (including capital costs) applicable to the period of time the Hospital is owned by such party.

(d) With respect to the Transition Services provided by each of the parties to each such Transition Patient whose medical care is paid for, in whole or in part, by Medicare, Medicaid, TRICARE, or any other third party payor who pays for services based on an episodic period or other similar basis, Buyer shall pay to Sellers an amount equal to (i) the total payments per the remittance advice received by Buyer on behalf of the Transition Patient, multiplied by a fraction, the numerator of which shall be the total number of days of such episode prior to the Effective Time, and the denominator of which shall be the total number of days in such episode, minus (ii) any deposits, deductibles or co-payments made or payable by such Transition Patient to Sellers, or any Medicare RAP (request for anticipated payment) payments or other payments made on behalf of Transition Patient to Sellers; provided, however, that if the amounts paid to Sellers by or on behalf of any Transition Patient exceeds the amount due to Sellers under (i) above, Sellers shall pay such excess amount to Buyer. Buyer shall be solely responsible for billing for all services furnished to such Transition Patients and Sellers shall not submit any claims for such Transition Services after the Effective Time.

(e) All payments required by this Section 12.32 shall be made within seven (7) business days of Buyer's receipt of payment with respect to a Transition Patient, accompanied by copies of remittances and other supporting documentation as reasonably required by Sellers. In the event that Buyer and Sellers are unable to agree on any amount to be paid under this Section 12.32, then such amount shall be determined through the binding process provided in Section 1.7(d) at the joint equal expense of Buyer and Sellers.

### 12.33 Collection of Receivables and Processing of Accounts Payable.

(a) Sellers shall continue to bill and collect their Receivables and bill for Business services rendered prior to the Closing Date, and process Accounts Payable with respect to the same period. Buyer agrees that it will provide post-closing remote access, as limited by the current information technology systems, to the Receivables information and Accounts Payable information and software relating to billings and collections applicable to Sellers' pre-Closing services that is currently maintained on Sellers' computer servers including but not limited to McKesson Accounts Receivable, 3M, NEBO and SAP software (collectively, the "Receivables/Payment Information") until such information is migrated to Sellers'

servers. Buyer will make its information technology and accounting personnel reasonably available to Sellers to trouble shoot and assist in the orderly transfer and access to billing and accounting information and the reconciliation of accounts and payments to enable Sellers to orderly bill and collect for pre-Closing services and process corresponding Accounts Payable.

After all pre-Closing services have been billed by Sellers, Sellers will provide an interface to download the Receivables/Payment Information, to include all active and inactive Receivables, to Xtend and on to Sellers' servers relating to Sellers' pre-Closing hospital services. Sellers and Buyer will cooperate to establish a separate "library" so as to ensure that the Receivables are not co-mingled with Buyer's accounts receivable and billings relating to Buyer's post-Closing services.

(b) Buyer will provide Sellers and their designees with reasonable access to medical records when and as necessary to enable Sellers to properly bill and administer collection activities including providing payors or their auditors with any requested information and responding to any payor audits. Sellers will direct these requests to the Hospital's Health Information Management department, and will work with them on a protocol and process for such requests. Buyer will promptly identify and remit all payor and patient correspondence relating to pre-Closing services and will use commercially reasonable efforts to do so within seven (7) business days of receipt. Buyer will establish a protocol for forwarding to Sellers' designee electronic inquiries received by Buyer after the Closing to Sellers relating to Accounts Payable or Receivables. Buyer and Sellers will evaluate whether Buyer can maintain live e-mail boxes for certain accounting personnel that will contain a response message directing the party to Sellers' contact information if different.

(c) Any payment of Receivables received by Buyer or Sellers and that arose from the operation of the Business which has indicated on the check or otherwise accompanying the payment the period for which the payment is being made shall be applied to satisfaction of the Receivables or the accounts receivable of Buyer arising at or after the Effective Time ("Post-Closing Accounts Receivable"), as the case may be, in accordance with the specification made by the payor. If no such indication is set forth on the check or otherwise accompanying the payment, then the parties shall cooperate to determine whether such payment relates to the Receivables or Post-Closing Accounts Receivable, and such payment shall be applied accordingly. The parties will prorate and otherwise determine each party's respective obligations as to Accounts Payable that relate to periods prior to and post Closing, based on usage or via per diem as appropriate.

(d) The parties prior to closing will designate the persons at each organization responsible for administering the reconciliations and test the software to assure remote access. Buyer will provide Sellers with reasonable access to the administrative offices as necessary to facilitate the efficient reconciliation of Receivables and Accounts Payable. Each of Buyer and Sellers will make a senior executive available to meet within five (5) business days of request of the other to address any problems implementing the foregoing provisions of this Section 12.33.

**[signature page follows]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals by their duly authorized officers and their corporate seals duly affixed hereto, all as of the day and year first above written.

**SELLERS:**

---

MSMC INVESTORS, LLC

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

MSMC HOMECARE, LLC

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

MSMC HOSPICE, LLC

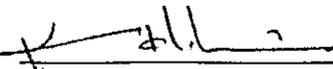
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MSMC REALTY, LLC

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

**BUYER:**

BLUE ISLAND ILLINOIS HOLDINGS, LLC

By:  \_\_\_\_\_  
Kenneth D. Hawkins, Senior Vice President

**CHS:**

CHS/COMMUNITY HEALTH SYSTEMS, INC.

By:  \_\_\_\_\_  
Kenneth D. Hawkins, Senior Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals by their duly authorized officers and their corporate seals duly affixed hereto, all as of the day and year first above written.

**SELLERS:**

MSMC INVESTORS, LLC

By: David RGS  
Name: DAVID RGS  
Title: \_\_\_\_\_

MSMC HOMECARE, LLC

By: David RGS  
Name: DAVID RGS  
Title: \_\_\_\_\_

MSMC HOSPICE, LLC

By: David RGS  
Name: DAVID RGS  
Title: \_\_\_\_\_

MSMC REALTY, LLC

By: David RGS  
Name: DAVID RGS  
Title: \_\_\_\_\_

**BUYER:**

BLUE ISLAND ILLINOIS HOLDINGS,  
LLC

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