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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

IN RE:	§	Chapter 11
	§	
VICTORY MEDICAL CENTER	§	CASE NO.: 15-42373-rfn-11
MID-CITIES, LP et al.,¹	§	
	§	Jointly Administered
	§	

**EMERGENCY MOTION FOR AUTHORITY AND APPROVAL FOR VICTORY
PARENT COMPANY TO EXECUTE ASSET PURCHASE AGREEMENT RELATED
TO THE SALE OF SUBSTANTIALLY ALL THE ASSETS OF A NON-DEBTOR TO
THE MEDICAL CENTER OF SOUTHEAST TEXAS, LP.**

**DEBTORS ARE REQUESTING BY SEPARATE MOTION THAT THE COURT
CONDUCT A HEARING ON THIS MATTER ON AUGUST 24, 2015 AT 9:30 A.M. (or
1:30 p.m.); ROOM 204, 501 10th STREET, FORT WORTH, TEXAS 76102.**

**IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING,
SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS
OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE**

¹The Debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are Victory Medical Center Mid-Cities, LP (2023) and Victory Medical Center Mid-Cities GP, LLC (4580), Victory Medical Center Plano, LP (4334), Victory Medical Center Plano GP, LLC (3670), Victory Medical Center Craig Ranch, LP (9340), Victory Medical Center Craig Ranch GP, LLC (2223), Victory Medical Center Landmark, LP (9689), Victory Medical Center Landmark GP, LLC (9597), Victory Parent Company, LLC (3191), Victory Medical Center Southcross, LP (8427), and Victory Medical Center Southcross GP, LLC (3460).

WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-THREE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Victory Parent Company, LLC (“Victory Parent”) , debtor and debtor in possession, files this Emergency Motion For Authority to Execute Asset Purchase Agreement related to the sale of substantially all the assets of a non-debtor (the "Motion"), and in support thereof, respectfully state as follows:

I. SUMMARY OF EXPEDITED RELIEF REQUESTED

1. Victory Parent Company is the largest equity holder in Victory Medical Center Beaumont, LP (“Beaumont” or “Seller”). Beaumont is not a debtor in bankruptcy. Beaumont is the owner of a surgical hospital in Beaumont, Texas (the “Beaumont Hospital”). Victory Parent manages the Beaumont Hospital. Beaumont is selling substantially all of its assets to The Medical Center of Southeast Texas, LP, pursuant to a proposed Amended and Restated Asset Purchase Agreement dated August __, 2015 (the “APA”). The APA provides for: (i) certain representations and warranties by Victory Parent Company; (ii) indemnifications by Victory Parent to the purchaser; and (iii) a Bankruptcy Court order authorizing Victory Parent to execute the APA. To be clear, Victory Parent is not selling any assets under the APA. The form APA is attached hereto as **Exhibit A**. A copy of the Proposed Form of Order is attached hereto as **Exhibit B**.

II. JURISDICTION

2. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334, and venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C.

§ 157(b). The requested relief may be granted pursuant to 11 U.S.C. §§ 105 and 363(b)(1).

III. REASON FOR THE EMERGENCY

3. The APA is currently scheduled to close on August 31, 2015.² A delay in the closing may result in the need to shutdown the Beaumont Hospital, which would cause the going concern value to be lost.

IV. BACKGROUND INFORMATION

A. Overview of the Debtors

4. Victory Medical Center Mid-Cities, LP (“Mid-Cities”), Victory Medical Center Mid-Cities GP, LLC (“Mid-Cities GP”), Victory Medical Center Craig Ranch, LP (“Craig Ranch”), Victory Medical Center Craig Ranch GP, LLC (“Craig Ranch GP”), Victory Medical Center Landmark, LP (“Landmark”), Victory Medical Center Landmark GP, LLC (“Landmark GP”), Victory Medical Center Plano, LP (“Plano”), Victory Medical Center Plano GP, LLC (“Plano GP”) and Victory Parent Company, LLC (“Victory Parent”) filed Chapter 11 bankruptcy cases on June 12, 2015.

5. Victory Medical Center Southcross, LP (“Southcross”) filed Chapter 11 bankruptcy on July 10, 2015 and Victory Medical Center Southcross GP, LLC (“Southcross GP”) filed Chapter 11 bankruptcy on July 16, 2015.

6. Mid-Cities, Mid-Cities GP, Craig Ranch, Craig Ranch GP, Landmark, Landmark GP, Plano, Plano GP, Victory Parent, Southcross and Southcross GP, are collectively referred to herein as “Debtors.”

7. The Debtors continue to manage their respective property as a debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. The Debtors’ bankruptcy cases are being

² To be clear, certain terms of the APA are subject to further negotiations and agreement by the Purchaser.

jointly administered.

8. No trustee or examiner has been appointed in the Debtors' bankruptcy cases.

9. On June 22, 2015, an official committee of unsecured creditors was established.

10. Victory Parent manages a network of specialized surgical hospitals in Texas. Mid-Cities, Plano, Craig Ranch and Landmark are four of the six hospitals managed by Victory Parent, all which are currently in Chapter 11. The other two hospitals are located in Beaumont and East Houston and have not filed for Chapter 11 bankruptcy protection.

11. Beaumont has agreed in principal to sell substantially all of its assets to The Medical Center of Southeast Texas (the "Purchaser"). Beaumont and Craig Ranch share a common secured lender, namely Texas Capital Bank. The Beaumont and Craig Ranch secured debt is allegedly cross-collateralized. The APA provides that Texas Capital Bank will receive a substantial pay-down of its secured debt (in the approximate amount of \$3,000,000). This will substantially reduce potential claims against Craig Ranch.

12. In addition, Victory Parent is the guarantor of the Beaumont real property lease (the "Beaumont Lease"). Pursuant to the APA, Victory Parent will be released from its guarantee obligations on the Beaumont Lease. Victory Parent will not receive any of the Beaumont sales proceeds.

13. Because Victory Parent Company is the largest equity holder of Beaumont, the APA provides that Victory Parent execute and approve the APA. As a condition of closing, the APA provides, in pertinent part that Victory Parent obtain:³

(s) A final non-appealable order in a form satisfactory to Purchaser entered by the United States Bankruptcy Court for the Northern District of Texas approving Owner's execution of this Agreement and confirming the enforceability of Owner's obligations under this Agreement;

³ See Exhibit A, Article 5.1 (s).

14. Further, the APA provides for certain warranties and representations by Beaumont and Victory Parent to the Purchaser and that Victory Parent and Beaumont indemnify the Purchaser (as detailed Article 7 of the APA) (the warranties, representations and indemnities are collectively referred to herein “Indemnifications”). To secure such Indemnifications, the APA provides that \$1.5 million of the purchase price will be held in an escrow account. By explicit agreement of the parties, Victory Parent’s potential Indemnification obligations (the “Indemnity Claims”) are limited to the Escrow Fund (as that term is defined in the APA) and as provide in Section 7.1(c) of the APA.⁴ In other words, the APA will not result in any Indemnity Claims (either administrative or otherwise) of Purchaser against the Debtors’ bankruptcy estates. To the extent any such Indemnity Claims arises against Victory Parent Company, Purchaser may proceed solely and directly against the Escrow Fund and will not be required to seek relief from the automatic stay or file any such notice of the Indemnity Claim in the bankruptcy court.

15. The principal terms of the proposed APA are summarized and highlighted as follows:⁵

Transaction:	Acquisition by the Purchaser via sale of the assets of Victory Medical Center Beaumont, LP (a non-debtor).
Purchased Assets and Related Consideration:	Purchaser will purchase the assets specifically identified in Section 1.1(a)-(l) of the APA for assumption of certain liabilities and/or a cash payment. See Section 1.2 for Purchase Price.
Excluded Assets:	The Purchaser will not acquire the accounts receivable and other excluded assets identified in the APA. See Section 1.3 and Schedule 1.3 of the APA
Excluded Liabilities:	All liabilities other than Assumed Liabilities. See Section 1.5 of the APA. See Section 1.6 for Assumed Liabilities.

⁴ The APA as currently drafted does not contain the limitations on Indemnifications. A revised APA or supplement will be prepared to reflect the limitations on any potential Indemnification claim against Victory Parent. Moreover, the proposed form of Order attached hereto as Exhibit B specifically limits any indemnification claims.

⁵ To the extent there is any inconsistency between the description of the APA and this Motion, the terms of this Motion control for purposes of the Indemnity Claims. Otherwise, the APA shall control. To the extent there is any inconsistency between the APA and the Proposed Order, the terms of the Proposed Order shall control as to any liability of Victory Parent Company.

Assumed Contracts:	Those contracts and capital leases set forth in Schedule 1.6
Closing:	No later than August 31, 2015. See Section 1.7 of APA.
Topping/Break-up Fees:	None.
Competing Bids:	Not Applicable.
Purchaser Contact Information:	The Medical Center of Southeast Texas, LP c/o Paul Jennings Bass, Berry & Sims PLC 150 Third Avenue South, Suite 2880, Nashville, TN 37201 Tel: 615-742-6267 Fax: 615-742-2767
Negotiation Background	Negotiations occurred over the past 60-90 days.
Victory Parent Company Representations, Warranties and Indemnities.	See Sections 2.2, 2.3, 2.4, 2.8, 6.5, 6.8, 7.1 and 9.1, all of which are limited to recovery against the Escrow Fund.
Relationship with Purchasers.	The APA provides that Other Limited Partners (physicians) of Seller will be issued partnership interests in the Purchaser. See 1.1 of APA. No other material relationships or agreements regarding the employees or continued employment of Debtors employees currently exist.

16. The full terms and conditions of the transaction are set forth in the APA attached as Exhibit "A" hereto and reference should be made to the APA for additional terms. Victory Parent Company believes that value will be maximized by closing the transaction as soon as is practicable, and on the terms proposed in the APA, as restricted and limited provided in this Motion.

17. This Motion is not seeking approval of a sale of assets of the bankruptcy estate. Rather, Victory Parent is requesting authority to execute the APA as part of the sale of non-estate assets by a non-debtor (Victory Medical Center Beaumont, LP).

V. REQUESTED RELIEF

18. The execution of the APA by Victory Parent is outside the ordinary course of business of Victory Parent. Accordingly, Victory Parent requests the Court authorize the execution

of the APA and approve Victory Parent's limited obligations contained therein. Approval of Victory Parent's execution of the APA is in the best interest of the Debtors' estate because it will reduce potential claims against Victory Parent and Craig Ranch.

19. Section 363(b)(1) provides that a debtor, after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate. Section 363(b) has also been applied to other uses that one might not ordinarily posit as a question of use of property, but rather as entering into transactions out of the ordinary course of business. *See Collier on Bankruptcy* P 363.02. In this case, execution of the APA by Victory Parent is not within the ordinary course of its business. Based on the foregoing, the execution of the APA by Victory Parent is justified by sound business reasons and is in the best interests of the Debtors and their estates. Accordingly, pursuant to Section 363(b) of the Bankruptcy Code, Debtor Victory Parent requests entry of an order authorizing execution of the APA.

VI. NOTICE

20. Notice of this Motion has been given by e-mail, facsimile, or US First Class Mail to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the Northern District of Texas; (b) the Office of the Texas Attorney General; (c) the Office of the United States Attorney General; (d) each of the Debtors' secured lenders; (e) the Internal Revenue Service; (f) each of the Debtors' twenty (20) largest unsecured creditors; and (g) all other known parties-in-interest in these bankruptcy cases. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

VII. CONCLUSION

WHEREFORE, the Debtors respectfully request that the Bankruptcy Court enter an order (i) authorizing Victory Parent to execute the APA; (ii) approving the limited obligations

of Victory Parent contained within the APA; and (iii) granting all such other and further relief as is just and proper.

Dated: August 21, 2015

Respectfully submitted,

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CERTIFICATE OF SERVICE

This certifies that on August 21, 2015, the Emergency Motion was served via the Court's electronic case filing notification system on the parties listed below:

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/s/ T. Josh Judd
T. Josh Judd

EXHIBIT A

AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

BY AND AMONG

**THE MEDICAL CENTER OF SOUTHEAST TEXAS, LP
D/B/A**

**THE MEDICAL CENTER OF SOUTHEAST TEXAS
("PURCHASER"),**

**VICTORY MEDICAL CENTER BEAUMONT, LP
("SELLER"),**

**VICTORY MEDICAL CENTER BEAUMONT GP, LLC
("GP"),**

**VICTORY PARENT COMPANY, LLC
("OWNER")**

AND

**THE OTHER LIMITED PARTNERS IDENTIFIED ON SCHEDULE A
("OTHER LIMITED PARTNERS")**

Dated as of August 21, 2015

EXHIBIT A

SCHEDULES AND EXHIBITS

EXHIBITS

- 5.1(b) Bill of Sale
- 5.1(c) Assignment and Assumption Agreement
- 5.1(d) Third Party Consents
- 5.1(e) Resolutions
- 5.1(f) Incumbency Certificate
- 5.1(g) Officer's Certificate
- 5.1(j) Escrow Agreement

SCHEDULES

- A Other Limited Partners
- 1.1(b) Assigned Property Leases
- 1.1(c) Assigned Contracts
- 1.1(d) Telephone Numbers, Etc.
- 1.1(i) Assigned Permits
- 1.2 Form of Closing Settlement Statement
- 1.3 Retained Assets
- 1.5 Retained Liabilities Payoffs
- 1.6(b) Assumed Liabilities
- 1.6(c) Assumed PTO
- 1.11 Limited Partnership Interests Issued to Other Limited Partners
- 2.1 Location of Rights and Assets and Seller's Trade Names Over Last Three Years
- 2.2 Ownership Schedule
- 2.3 Seller - Conflicting Agreements or Required Consents
- 2.5 Financial Statements
- 2.6 Absence of Changes
- 2.7 Liabilities
- 2.8 Litigation and Claims
- 2.10(a) Personal Property
- 2.10(c) Intangible Property Rights
- 2.10(d) Leased Real Property
- 2.11(a) Contracts and Commitments
- 2.11(b) Top 20 Payors and Vendors
- 2.12(a) Employees
- 2.12(c) Employment Matters
- 2.13(a) Benefit Programs
- 2.13(c) Benefit Matters
- 2.14(a) Certificates of Insurance
- 2.16(a) Licenses, Permits, Authorizations, Provider Agreements and Regulatory Deficiencies
- 2.16(b) Regulatory Consents, Approvals or Notices
- 2.16(d) Non-Transferable Licenses and Permits
- 2.17 Inspections and Investigations
- 3.3 Purchaser - Conflicting Agreements or Required Consents
- 5.1(d) Third Party Consents
- 9.1 Non-Competition

AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is dated as of August 21, 2015 (“Execution Date”) by and among THE MEDICAL CENTER OF SOUTHEAST TEXAS, LP, a Delaware limited partnership d/b/a The Medical Center of Southeast Texas (“MCSETX” or “Purchaser”), VICTORY MEDICAL CENTER BEAUMONT, LP, a Texas limited partnership (“Seller”), VICTORY MEDICAL CENTER BEAUMONT GP, LLC a Texas limited liability company (“GP”), VICTORY PARENT COMPANY, LLC, a Texas limited liability company (“Owner”) and the other Limited Partners identified on Schedule A (the “Other Limited Partners”)

Preamble

WHEREAS, Seller owns and operates a licensed inpatient hospital located at 6025 Metropolitan Drive, Beaumont, Texas 77706 (referred to herein as the “Business” or the “Hospital”);

WHEREAS, Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the Rights and Assets used in the operation of the Business (as described in Section 1.1 below), free and clear of all liens, claims and encumbrances and subject to the terms and conditions set forth in this Agreement (the “Acquisition”) such that the Business becomes a hospital outpatient department of Purchaser, an affiliated campus of Purchaser or otherwise affiliated with Purchaser, as Purchaser shall determine in its sole discretion (in any such case, an “HOPD”);

WHEREAS, GP is the general partner of Seller;

WHEREAS, the Owner, along with GP and the Other Limited Partners, collectively, represent all of the direct and indirect owners of the Seller and shall benefit from the Acquisition;

WHEREAS, in connection with the Acquisition, Purchaser desires to assume and Seller desires to assign to Purchaser the Assumed Liabilities (as described in Section 1.6 below) subject to the terms and conditions set forth in this Agreement; and

WHEREAS, certain terms used in this Agreement are defined in Article 10.

WHEREAS, Seller, Owner, GP, Purchaser and certain Other Limited Partners previously entered into an Asset Purchase Agreement dated August 7, 2015, and this Agreement shall supersede and replace that prior Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the above and the mutual warranties, representations, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1
PURCHASE OF RIGHTS AND ASSETS

1.1 Agreement to Purchase and Sell. Subject to the terms and conditions set forth herein and except for the Retained Assets, at the closing of the Acquisition (the “Closing”), but effective as of the Effective Time, Seller agrees to sell, convey, transfer, assign and deliver to Purchaser, and Purchaser agrees to purchase, all of Seller’s right, title and interest in and to the properties, rights and assets owned by Seller and used, useful or held for use in the operation of the Business, directly or indirectly, in whole or in part, of every type and description, real, personal or mixed, tangible and intangible, wherever located and whether or not reflected on the books of

Seller (collectively, the “Rights and Assets”), free and clear of all Liens whatsoever, including, but not limited, to the following:

(a) All Inventory and tangible personal property used or held for use in the operation of the Business, including all furniture, machinery, office furnishings, equipment, supplies, fixtures, consumables and leasehold improvements existing at the Effective Time, including all rights of Seller against manufacturers or sellers or lessors of such Inventory and tangible personal property (including Seller’s rights to receive refunds or rebates);

(b) All leases, lease purchase arrangements and license agreements set forth on Schedule 1.1(b) hereto (the “Assigned Property Leases”), pursuant to which Seller leases or licenses any real or personal property used in the Business, including any and all security and other deposits, advance rents and any other payments made thereunder prior to the Effective Time for the benefit or to the account of Seller;

(c) All contracts and agreements listed on Schedule 1.1(c) (the “Assigned Contracts”);

(d) All telephone numbers, facsimile numbers, websites, e-mail accounts and related rights set forth on Schedule 1.1(d) hereto and the goodwill related thereto;

(e) All prepaid items specifically related to the Business including, without limitation, all equipment, utility and other deposits (including those held by third parties) existing at the Effective Time;

(f) All current patient lists and patient medical or operating records;

(g) Medical staff roster (if any) and medical staff files, customer lists, and customer contracts;

(h) All of Seller’s data and information, in any medium, including proprietary and confidential information and trade secrets, such as customer lists, technical information, know-how, and information regarding the Business;

(i) Those licenses, permits and registrations of Governmental Authorities listed on Schedule 1.1(i) (“Assigned Permits”);

(j) All Intellectual Property Rights used or held for use in the Business, including trademarks, copyrights, trade names, service marks, service names, domain names, patents and all registrations and pending applications therefore, and all good will related thereto, including the name “Victory Medical Center - Beaumont”;

(k) All rights and claims, known or unknown, matured or unmatured, accrued or contingent, against third parties arising out of or relating to the Business; and

(l) All other intangible property rights of Seller used or held for use in the Business, including the goodwill and going concern value of the Business, but excluding any goodwill associated solely with the Retained Assets and Retained Liabilities.

Notwithstanding the foregoing, the transfer of the Rights and Assets pursuant to this Agreement shall not include the assumption of any Liability related to the Rights and Assets unless expressly assumed by Purchaser pursuant to Section 1.6.

1.2 Purchase Price. The total base consideration for the Rights and Assets (the “Base Purchase Price”) shall be Twenty-One Million and No/100 (\$21,000,000.00) Dollars, consisting of (i) aggregate cash (the “Cash Component”), currently estimated to be \$8,491,000 (ii) the Aggregate MCSETX Partnership Interests Value, currently estimated to be valued at \$2,200,000, and (iii) Assumed Liabilities, currently estimated to be \$10,309,000 in the aggregate, which shall include, among other Liabilities, the TI Note Indebtedness currently estimated to be \$4,587,277.79 and the Capital Lease Indebtedness currently estimated to be \$5,809,000.

The “Purchase Price” shall be the Base Purchase Price, plus (i) the amount equal to the Actual Inventory Amount minus the Target Inventory Amount, which number may be negative (the “Inventory Adjustment”), and minus (ii) any payments made to Purchaser pursuant to Seller’s, Owner’s or GP’s indemnity obligations pursuant to Article 7 of this Agreement (the total of the Base Purchase Price less the Indemnity Adjustment, if any, the “Purchase Price”).

The Base Purchase Price, plus or minus the Inventory Adjustment (the “Closing Payment”), shall be paid by Purchaser as follows at the Closing:

- (i) The Cash Component will be paid to, or on behalf of, Seller, and will be distributed at Closing in accordance with a closing settlement statement to be prepared within five (5) days of Closing by Seller, subject to approval by Purchaser, the form of which is attached as Schedule 1.2;
- (ii) the Escrow Amount of One Million Five Hundred Thousand Dollars (\$1,500,000) shall be distributed by Purchaser to the Escrow Agent by wire transfer of immediately available funds, to be received, held and disbursed pursuant to the Escrow Agreement and Section 7.6; and
- (iii) the issuance of the MCSETX Partnership Interests to the Other Limited Partners estimated to have an aggregate value of \$2,200,000, as contemplated in Section 1.11 below and as contemplated on Schedule 1.11; and
- (iv) the Inventory Adjustment will either be added to or deducted from the cash proceeds as contemplated above.

The estimates used herein are for illustrative and clarification purposes only. The amounts shall be actually determined as of the Closing Date.

As used herein, “Inventory Amount” means the value of all usable Inventory held by Seller as of the Closing Date. The Inventory Amount shall be estimated as of the Closing Date based on a count conducted by Seller and observed by Purchaser’s representatives not more than five (5) business days prior to the Closing Date; provided, however, that the portion of the Inventory comprised of items held in the pharmacy shall be counted on the Closing Date. In connection with such inventory count, Seller and Purchaser shall jointly determine if any Inventory is unusable, obsolete or unable to be used in the ordinary course of business of the Purchaser (the “Unusable Inventory”) and the value of such Unusable Inventory shall be excluded from the calculation of the estimated Inventory Amount, and Seller, at its option, may remove such Unusable Inventory prior to Closing. The Inventory Amount shall be subject to a post-Closing true-up calculation of the Inventory Amount, based on the inventory count, by Purchaser, to be completed within thirty (30) days of the Closing Date. To the extent that the actual Inventory Amount as determined by Purchaser after Closing is less than the estimate of the Inventory Amount as of the Closing Date, Seller shall immediately pay Purchaser the difference between the estimated Inventory Amount and the actual Inventory Amount. To the extent that the actual Inventory Amount as determined by

Purchaser after Closing is more than the estimate of the Inventory Amount as of the Closing Date, Purchaser shall immediately pay Seller the difference between the estimated Inventory Amount and the actual Inventory Amount. “Target Inventory Amount” means \$818,592.00.

1.3 Retained Assets. The parties expressly agree that excluded from the Rights and Assets purchased by Purchaser hereunder are (i) Seller’s tax returns, corporate records and minute books; (ii) all rights and assets of any employee benefit plan maintained by, or covering employees of, Seller; (iii) all cash and cash equivalents of Seller; (iv) all accounts receivable and rebates of Seller arising in connection with the operation of the Business accruing on or prior to the Effective Time, provided that Purchaser shall be entitled to all payments and accounts receivable for any bill submitted by Purchaser, including bills for any patient who may receive treatment and services at the Hospital both prior to and after the Effective Time, (v) Seller’s provider agreements and identification numbers for any Government Programs and Private Programs (as defined in Section 2.16), under which Seller directly or indirectly receives or has received payments for services; (vi) the real property, and improvements located thereon, where the Hospital is located, (vii) employee benefit and pension plans (including all assets and proceeds of all the foregoing) and records relating thereto, and (viii) any other assets listed on Schedule 1.3 hereto (collectively the “Retained Assets”).

1.4 Allocation of Purchase Price. With respect to each acquired trade or business (within the meaning of Code Section 1060 and the treasury regulations promulgated thereunder) acquired under this Agreement, all amounts constituting consideration within the meaning of, and for the purposes of, Code Section 1060 and the treasury regulations thereunder shall be allocated among the Rights and Assets acquired by Purchaser hereunder related to such trade or business in the manner required by Code Section 1060 and the treasury regulations issued thereunder and all applicable laws. Within sixty (60) calendar days after the Closing Date, Purchaser shall prepare a schedule (the “Allocation Schedule”) allocating all such amounts in the manner described by the preceding sentence. The Allocation Schedule shall be final and binding on the parties hereto. Each of the parties shall (a) prepare and timely file all Tax Returns, including, without limitation, Form 8594 (and all supplements thereto) in a manner consistent with the Allocation Schedule and (b) act in accordance with the Allocation Schedule for all income Tax purposes. Purchaser shall prepare a revised Allocation Schedule to the extent necessary to reflect any post-Closing payment made pursuant to or in connection with this Agreement, and provide such revised Allocation Schedule to Seller, as applicable.

1.5 Retained Liabilities. Except as specifically set forth in Section 1.6, Seller retains, and will timely pay or otherwise discharge, all Liabilities directly or indirectly arising out of or related to the operation of the Business prior to the Effective Time, whether such Liabilities are known or unknown, disclosed or undisclosed, matured or unmatured, accrued, absolute or contingent on and as of the Effective Time (collectively, the “Retained Liabilities”). Not less than fifteen (15) days prior to the Closing Date, Seller shall deliver to Purchaser a schedule (Schedule 1.5) listing all Retained Liabilities (including accounts payable), outstanding amounts owed under each such Liability and attaching payoff letters from the respective creditors for each such Liability, and at Closing Purchaser shall direct payment of the Purchase Price proceeds, or a portion thereof, directly to such creditors (excluding any indebtedness owed to Affiliates of Seller) to satisfy and discharge the Retained Liabilities. Without limiting the generality of the preceding sentences, Purchaser shall not assume or become liable for any obligations or Liabilities of Seller not specifically described in Section 1.6, including, without limitation, the following:

(a) Any Liability or obligation arising out of any employee benefit plan ever maintained by Seller or covering employees of Seller or to which Seller has made any contribution or to which Seller could be subject to any Liability, including, but not limited to, Liabilities arising under Section 601 *et. seq.* of ERISA or Code Section 4980B;

(b) Any Liability or obligation of Seller arising prior to the Effective Time of any provision of the Seller Agreements (as defined in Section 2.11 below) or any other contract to which Seller is a party;

(c) Any Liability of Seller with respect to any claim or cause of action, regardless of when made or asserted, which arises (i) out of or in connection with the business and operations of Seller (including, without limitation, the Business) prior to the Effective Time, (ii) with respect to any goods or services provided by Seller prior to the Effective Time, (iii) out of or in connection with the business and operations of Seller (including, without limitation, the Business) prior to the Effective Time under any Law, including any Health Care Laws; and (iv) all accounts payable of Seller as of the Closing Date;

(d) Any Liability or obligation, arising prior to the Effective Time or as a result of the Acquisition, to any employee, agent, or independent contractor of Seller, whether or not employed by Purchaser after the Effective Time, or under any benefit arrangement with respect thereto;

(e) Any Liability of Seller existing at the Effective Time, including any Liability related to any matter described in the Schedules to this Agreement;

(f) Any Liability or obligation for Taxes, whether disputed or not and whether known or unknown, or as a result of the Acquisition or related to the operation of the Business prior to the Effective Time or related to Seller's other businesses prior to or after the Effective Time;

(g) All wages, commissions, vacation, holiday, workers' compensation and sick pay obligations of Seller with respect to its employees, agents or independent contractors accrued through the Effective Time and all bonuses and fringe benefits as to such employees, agents and independent contractors accrued through the Effective Time, and all severance pay obligations of Seller to employees, whether resulting from Seller's consummation of the transactions contemplated by this Agreement or otherwise;

(h) Any Liability or obligation related to, arising out of, or in connection amounts owed to third parties for services or materials provided by vendors, suppliers, service companies and other third parties to Seller prior to the Effective Time;

(i) Any Liability or obligation of Seller related to any Government Program or provider number) or Private Program, whether arising before or after the Effective Time; and

(j) Any Liability or obligation related to, arising out of, or in connection with COBRA coverage for any employees of the Business not being hired by Purchaser at the Closing or former employees of the Business who are currently on COBRA coverage (collectively, the "Non-Hired Employees") and entitled to COBRA coverage under applicable law following the Closing; and, to the extent required, the acquisition or funding of a health plan to fully satisfy any such COBRA obligations to the Non-Hired Employees.

1.6 Assumed Liabilities. Purchaser shall assume, or pay off, as Purchaser shall determine in its sole discretion, on and effective as of the Effective Time only (a) the payment and performance of obligations under those contracts and agreements identified on Schedules 1.1(b)

and 1.1(c) hereto arising on and after the Effective Time, except to the extent any such obligations relate to a default, or an event which with notice or lapse of time or both would constitute a default, occurring before the Effective Time; (b) the Liabilities specifically and expressly set forth on Schedule 1.6(b), including the two (2) term loans to CHP Beaumont TX Surgical Owner, LLC (assumed from Beaumont Surgical Hospital Properties) bearing interest at 10.25%, maturing April, 2033, used to reimburse cash paid for tenant improvements; and the tenant improvement allowance, the aggregate outstanding amount owed under such term loans, estimated as of the Execution Date to be \$4,587,277.79 (the "TI Note Indebtedness"), and certain capital leases related to equipment, estimated as of the Execution Date to be \$5,809,000 ("Capital Lease Indebtedness") (collectively, the "Assumed Indebtedness"); and (c) the accrued paid time off of Hired Employees of Seller set forth on Schedule 1.6(c), if any, up to a maximum of two hundred (200) hours of accrued paid time off per Hired Employee (the "Assumed PTO") (collectively, the "Assumed Liabilities"). Notwithstanding anything in this Agreement to the contrary, Purchaser shall not assume any Liability of Seller other than the Assumed Liabilities.

1.7 Time and Place of Closing.

(a) The Closing will take place by email transmission of PDF copies of signature pages on or before August 31, 2015 (or such other date as the parties may mutually agree upon in writing) followed by delivery of original signatures, but in any event only after, and within three (3) business days of satisfaction of all conditions to Closing hereto, or at such other time and place as the parties hereto may agree in writing (the "Closing Date").

(b) The parties hereto agree that the effective time and date of the transactions shall be 12:01 a.m., Central Standard Time on the date immediately following the Closing Date (the "Effective Time").

1.8 Deliveries. All deliveries, payments and other transactions and documents relating to the Closing (i) shall be interdependent and shall not be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent to the Closing), and (ii) shall be deemed to be consummated simultaneously.

1.9 Prorations.

(a) To the extent not otherwise prorated pursuant to this Agreement, all (i) water, sewer, electricity, gas and other utility charges, if any, applicable to the Business, (ii) maintenance agreement obligations with respect to the Rights and Assets, (iii) rental charges payable or receivable and other payments or receipts applicable to the Rights and Assets, including under the Assigned Property Leases and Assigned Contracts, (iv) ad valorem taxes imposed upon any portion of the Leased Real Property, general assessments imposed with respect to the Leased Real Property and special assessments upon the Leased Real Property, whether payable in full or by installments prior to the Closing Date and (vii) ad valorem taxes imposed upon the Rights and Assets other than the Leased Real Property (collectively, the "Proration Items") that relate, in whole or in part, to periods prior to the Effective Time, shall be apportioned to the Seller, and representatives of Seller and Purchaser will examine all relevant books and records of the Business as of the Effective Time in order to reasonably make the determination of the apportionments. The net amount of all Proration Items will be settled and paid within thirty (30) days of the Closing Date. In the event that the amount of any of the Proration Item is not known by Seller and Purchaser at the Closing, the proration shall be made based upon the amount of the most recent cost of such Proration Item to Seller. After Closing, Purchaser and Seller shall provide to the other written notice five (5) business days after receipt of each third party invoice relating to any Proration Item so estimated.

Within ten (10) business days thereafter, Purchaser and Seller each shall make any payments to the other that are necessary to compensate for any difference between the proration made at the Closing and the correct proration based on the third party invoice.

(b) In the event that either Seller or Purchaser pays a Proration Item (the “Payer”) (other than if and to the extent included in the Assumed Liabilities) for which the other party (the “Payee”) is obligated in whole or in part under this Section 1.9, the Payer shall present to the Payee evidence of payment and a statement setting forth the Payee’s proportionate share of such Proration Item, and the Payee shall promptly pay such share to the Payer. In the event either party (the “Recipient”) receives payments, or the benefits of payments, of a Proration Item to which the other party (the “Beneficiary”) is entitled in whole or in part under this Agreement, the Recipient shall promptly pay such amount to the Beneficiary.

1.10 Sales Tax. The parties believe the Rights and Assets constitute the entire operating assets of the Seller’s business within the meaning of Texas Comptroller’s Sales Tax Rule 34 Tex. Admin. Code § 3.316(d) and accordingly, the sale of the Rights and Assets (other than any motor vehicles) should be exempt from Texas sales and use tax as an occasional sale pursuant to Texas Tax Code 151.304(b)(2). On or before Closing, the Seller shall provide a Statement of Occasional Sale to the Purchaser using Texas Comptroller Form 01-917, and the parties shall cooperate in documenting compliance with all available transfer tax exemptions. If, however, this transaction is ever determined by the Texas Comptroller to result in state sales or use tax, Seller shall be solely responsible for any and all such taxes due on the Rights and Assets acquired by Purchaser by virtue of this transaction. If Seller is assessed such taxes, Seller shall promptly remit same to the taxing authority. If Purchaser is assessed such taxes, Seller shall reimburse Purchaser for any such taxes paid by Purchaser to the taxing authority.

1.11 MCSETX Partnership Interests. In lieu of cash or other consideration for the Rights and Assets, Purchaser will issue a new class of limited partnership interests in the Purchaser (the “MCSETX Partnership Interests”). An aggregate amount of MCSETX Partnership Interests equal in value to not less than Two Million Two Hundred Thousand and No/100 (\$2,200,000.00) Dollars and not more than Two Million Five Hundred Thousand and No/100 (\$2,500,000.00) Dollars will be issued to the Seller for the benefit of the Other Limited Partners (or the individual “Physician Owner” identified on Schedule A with respect to any Other Limited Partner that is an entity) and such MCSETX Partnership Interests shall immediately be distributed by Seller to the Other Limited Partners in, on the Closing Date, as set forth on Schedule 1.11. The value per unit of the MCSETX Partnership Interests (the “Aggregate MCSETX Partnership Interests Value”) shall be determined by Purchaser in its sole discretion. The Other Limited Partners listed on Schedule 1.11 will subscribe to their respective shares or units of the MCSETX Partnership Interests pursuant to subscription agreements and other customary documents and agreements provided by Purchaser, as determined in Purchaser’s sole discretion. No fractional MCSETX Partnership Interests shall be issued. The newly issued MCSETX Partnership Interests shall include certain restrictions, terms and conditions that may not be applicable to other limited partnership interests in Purchaser, including appropriate holding periods, covenants not to compete and rights to repurchase units at a discount if holders violate terms of the MCSETX Partnership Interests, all as determined by Purchaser in its sole discretion. For avoidance of doubt, to facilitate the issuance of partnership interests in Purchaser in accordance with the Affordable Care Act ownership limits, Purchaser, via an equity contribution from its majority limited partner, may in its sole discretion, pay off all, or a portion of, the Capital Lease Indebtedness at Closing.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller, Owner and GP, jointly and severally, hereby represent and warrant the following to Purchaser as of the Execution Date and as of the Closing Date:

2.1 Organization; Qualification; and Ownership. Seller is duly organized, validly existing and in good standing as a limited partnership under the laws of the State of Texas. GP and Owner are each duly organized, validly existing and in good standing as a limited liability company under the laws of the State of Texas. Schedule 2.1 hereto contains the address (including city, county, state or other jurisdiction and zip code) of each location where any of the Rights and Assets are located and each trade name under which Seller operates at such address and any additional business and trade names under which the Business has been operated at each such address or any other location in the three (3) years preceding the Execution Date.

2.2 Authority and Validity. Seller, Owner, GP and the Other Limited Partners have the full power and authority necessary to: (i) execute, deliver and perform its obligations under the Acquisition Documents to be executed and delivered by Seller, Owner, GP and the Other Limited Partners, (ii) carry on the Business as it has been and is now being conducted, and (iii) own and lease the rights, properties and assets which it now owns or leases (including the Rights and Assets). The execution, delivery and performance of the Acquisition Documents have been duly authorized by all necessary action of the members, managers and/or owners of Seller, Owner, GP and the Other Limited Partners have been or will be, as the case may be, duly executed and delivered by duly authorized officers of Seller Owner, GP and the Other Limited Partners and constitute or will constitute the legal, valid and binding obligations of Seller, Owner, GP and the Other Limited Partners, respectively, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally, or as may be modified by a court of equity. Seller, Owner, GP and the Other Limited Partners have each reviewed, agreed and consented to the amount, allocation and manner of payment of the Purchase Price contemplated herein (including the Cash Payment and the issuance of the MCSETX Partnership Interests. Schedule 2.2 sets forth a list of all direct and indirect owners of the Seller, GP and Owner, including their respective percentage ownership interests in any entity that directly or indirectly owns an interest in Seller and a summary of all agreements and contracts between those Persons and Purchaser. Owner is the ultimate parent entity of Seller. Collectively, the Other Limited Partners, GP and Owner own all of the equity and ownership interests of Seller.

2.3 Absence of Conflicting Agreements or Required Consents. Except as set forth on Schedule 2.3, the execution, delivery and performance by Seller, Owner, GP and the Other Limited Partners of the Acquisition Documents to be executed and delivered by each of them: (i) will not require the consent of or notice to any Regulatory Authority or any other third party; (ii) will not conflict with any provision of their respective organizational documents (including the articles of organization, articles of partnership, operating agreement and partnership agreement); (iii) will not conflict with or result in a violation of any Law, ruling, judgment, order or injunction of any court or Regulatory Authority to which Seller, Owner, GP or the Other Limited Partners are subject or by which Seller, Owner, GP or the Other Limited Partners, or any of their respective rights, assets or properties are bound; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, require any notice under, or accelerate or permit the acceleration of any performance required by the terms of any contract, agreement, instrument, license or permit to which Seller, Owner, GP or the Other Limited Partners are a party or by which Seller, Owner, GP or the Other Limited Partners or any of their respective rights, assets or properties are bound; and (v) will not create any Lien upon any of the Rights and Assets or any

other of the rights, assets or properties of Seller, or result in the acceleration of the maturity of any payment date of any of the Assumed Liabilities, or increase or adversely affect the obligations of Seller under any of the Assumed Liabilities or the obligations of Purchaser under any of the Assumed Liabilities after the Effective Time.

2.4 Governing Documents of Seller, Books and Records. True and correct copies of the certificate of formation or similar formation documents for each of Seller, Owner, GP and the Other Limited Partners (if applicable) and all amendments thereto (certified by the Secretary of State of the State of Texas) and the Amended and Restated Limited Partnership Agreement of Seller, and Company Agreements of Owner and GP, and all amendments thereto have been provided to Purchaser. The books and records of Seller related to the operation of the Business have been made available to Purchaser and contain true, complete and accurate records of the operation of the Business and actions of Seller.

2.5 Financial Statements. Attached hereto as Schedule 2.5 are (a) the audited balance sheets and related statements of income, changes in equity and cash flows for Seller as of December 31, 2013, and December 31, 2014, all prepared in accordance with GAAP, and (b) the interim statements of income, changes in equity and cash flows for Seller for the period ending at month end for the month immediately prior to the Execution Date and the six months ended June 30, 2015 (collectively, the "Financial Statements"). The Financial Statements are true, correct and complete, and, except as set forth on Schedule 2.5, have been prepared on an accrual basis, using consistent accounting practices for the periods and dates presented, and in substantial conformity with GAAP. The Financial Statements present fairly the financial position of Seller as of the dates indicated and present fairly the results of the operations, changes in equity and cash flows of Seller for the periods then ended. The Financial Statements have been prepared in accordance with the books and records of the Business, which have been properly maintained and are true, complete and correct in all material respects. Seller has not used any improper accounting practice that would have the effect of not reflecting or incorrectly reflecting in the Financial Statements or the books and records, any properties, assets, Liabilities, revenues or expenses.

2.6 Absence of Changes. Except as set forth on Schedule 2.6, and except as contemplated by this Agreement, since December 31, 2014, Seller has conducted the Business only in the ordinary course, consistent with past practice, and Seller has not, with respect to the Business:

(a) Suffered any Material Adverse Change in its working capital, condition (financial or otherwise), rights, assets, properties, Liabilities, reserves, business or operations;

(b) Incurred any Liability of any nature other than items incurred in the ordinary course of business, consistent with past practices, or increased (or experienced any change in the assumptions underlying or the methods of calculating) any bad debt, contingency, or other reserve, other than in the ordinary course of business, consistent with past practice;

(c) Paid, discharged or satisfied any Lien or Liability other than in the ordinary course of business, consistent with past practice;

(d) Written off as uncollectible any account receivable other than in the ordinary course of business, consistent with past practice;

(e) Compromised any debts, claims or rights or disposed of any of its rights, properties or assets other than in the ordinary course of business, consistent with past practice;

(f) Entered into any commitments or transactions not in the ordinary course of business, or not consistent with past practice;

(g) Entered into any commitments or transactions involving aggregate value in excess of Ten Thousand Dollars (\$10,000) or made aggregate capital expenditures or commitments in excess of Ten Thousand Dollars (\$10,000);

(h) Made any change in any method of accounting or accounting practice;

(i) Sold, assigned or transferred any tangible asset other than in the ordinary course of business, consistent with past practice;

(j) Subjected any of its assets, tangible or intangible, to any Lien, except for Liens for current ad valorem taxes not yet due and payable;

(k) Increased any salaries, wages or employee benefits or made any arrangement for payment of any bonus or special compensation for any employee of Seller other than in the ordinary course of business, consistent with past practice;

(l) Hired, committed to hire or terminated any employee, medical director or independent contractor other than in the ordinary course of business, consistent with past practice;

(m) Terminated or amended any contract, license or other instrument to which Seller is a party or suffered any loss or termination or threatened loss or termination of any existing material business arrangement or supplier;

(n) Sold or otherwise transferred directly or indirectly, any interest in the Business; or

(o) Agreed, whether in writing or otherwise, to take any action described in this Section 2.6.

2.7 No Undisclosed Liabilities. Except as listed on Schedule 2.7 hereto, Seller has no Liabilities with respect to the Business or the Rights and Assets, except for Liabilities reflected in the Financial Statements or incurred in the ordinary course of operating the Business, consistent with past practice, since the date of the most recent balance sheet included in the Financial Statements.

2.8 Litigation and Claims. Except as listed on Schedule 2.8 hereto, (i) there are no claims, lawsuits, actions, arbitrations, or administrative or other proceedings pending against Seller, Owner or Other Limited Partners with respect or related to the Business or the Rights and Assets (or any events, occurrences, actions or inactions that could form the basis of any of the foregoing); (ii) to the Knowledge of Seller, Owner, GP or the Other Limited Partners, no such claim, lawsuit, action, arbitration, or administrative or other proceeding is threatened and no fact or circumstances exist that could result in the same; (iii) there are no governmental or administrative investigations or inquiries pending that specifically involve the Business or the operation thereof or the Rights and Assets; (iv) there are no judgments against or consent decrees binding on Seller, Owner, GP or the Other Limited Partners with respect to the Business or the Rights and Assets or, to the Knowledge of Seller, Owner, GP or the Other Limited Partners, any licensed professional employed by, contracted for or otherwise relating to the Business.

2.9 No Violation of Law.

(a) With respect to the operation of the Business, Seller has not been and is not currently in violation of any applicable Law, order, injunction or decree, or any other requirement of any Regulatory Authority or court binding on it, or relating to the Business or its advertising, sales, or other practices and activities.

(b) With respect to the operation of the Business, Seller has not been and is not currently subject to any fine, penalty, Liability or disability as the result of a failure to comply with any requirement of a Law, order, injunction or decree, or any other requirement of any Regulatory Authority or court, and Seller has not received any notice of such noncompliance.

2.10 Property; Sufficiency of Assets.

(a) Schedule 2.10(a) sets forth a list of all items of tangible and intangible personal property related to the Business and the Rights and Assets of Seller. Except as set forth on Schedule 2.10(a), Seller: (i) has good, valid and marketable, title to all of the Rights and Assets; (ii) owns the Rights and Assets free and clear of all Liens (except for current year ad valorem taxes which are not yet due or payable); and (iii) will, upon the Closing, convey good, valid and marketable title to the Rights and Assets to Purchaser free and clear of any and all Liens. All of the Rights and Assets being acquired by Purchaser, whether owned or leased, are in the possession and control of Seller and are located at the premises currently used for the operation of the Business.

(b) Seller's properties and assets used in connection with the Business (including all the Rights and Assets) are in good operating condition and repair, ordinary wear and tear excepted. All patient and medical records comprising the Rights and Assets are true and complete in all material respects.

(c) Schedule 2.10(c) contains a complete and correct list of all trademarks, trade names, service marks, service names, brand names, copyrights, technology rights and licenses, know-how, software and patents, registrations thereof and applications therefor, and any other intellectual property used by Seller in the operation of the Business, together with a complete list of all licenses granted by or to Seller with respect to any of the foregoing.

(d) Seller owns no right, title or interest in any real property other than under leases listed on Schedule 2.10(d) (the real property that is the subject of those leases is hereinafter referred to as the "Leased Real Property"). Schedule 2.10(d) contains a true and correct list of each parcel of Leased Real Property and a summary description of all buildings, structures, fixtures and other improvements located on each parcel of Leased Real Property. All buildings, structures, fixtures and other improvements on the Leased Real Property conform in all material respects to all applicable Laws and use restrictions, and the property is zoned for the various purposes for which the Leased Real Property and buildings, structures, fixtures and other improvements thereon are presently being used. Seller has not received any written notice within the past twenty-four (24) months of any pending or threatened condemnations, planned public improvements, annexation, special assessments, zoning or subdivision changes, or other adverse claims affecting the Leased Real Property. There is no private restrictive covenant or governmental use restriction (including zoning) on all or any portion of the Leased Real Property that prohibits the current use of the Leased Real Property. All licenses, permits and approvals required for the occupancy and operation of the Leased Real Property (with appurtenant parking uses) as presently being used have been obtained and are in full force and effect and Seller has not received any notice of violations in connection with such items. Seller has not subleased, licensed or otherwise granted anyone the right to use or occupy the Leased Real Property or any portion thereof, or collaterally assigned or

granted any other security interest in any such lease or interest therein. There is no breach or default by Seller nor, to Seller's Knowledge, any other party thereto, under any Liens which may affect the Leased Real Property or any portion thereof which are to be performed or complied with by the owner of the Leased Real Property, and no condition or circumstance exists which, would constitute a breach or default by Seller nor, to Seller's Knowledge, any other party thereto, under any such Liens. There are no Liens affecting any Leased Real Property which could reasonably be expected to materially impair the use and operation of such Leased Real Property in the conduct of the Business as presently conducted.

(e) The Rights and Assets, other than any Medicare and Medicaid licenses or agreements, and any managed care contracts, constitute all of the rights, assets, properties, and items necessary to operate the Business as an HOPD.

2.11 Contracts and Commitments; Payors and Suppliers.

(a) Schedule 2.11(a) contains, with respect to the Business, a complete and accurate list of all contracts, agreements, commitments, instruments and obligations (whether written or oral, contingent or otherwise) of Seller (the "Seller Agreements") involving:

(i) The lease, as lessee or lessor, or license (as licensee or licensor) of any personal property (tangible or intangible);

(ii) The employment or engagement of any employee, consultant, independent contractor or agent, other than those terminable at will without severance obligation;

(iii) The purchase of supplies or products from, or for the performance of services by, a third party in excess of Ten Thousand Dollars (\$10,000) in any individual case;

(iv) The sale of supplies or products, or for the performance of services, by Seller in excess of Ten Thousand Dollars (\$10,000) in any individual case;

(v) The incurrence of indebtedness (except for accounts payable incurred in the ordinary course of business) or the making of any loans;

(vi) Any license, franchise or distributorship, or copyright, or any ideas, technical assistance or other know-how of or used by Seller;

(vii) Capital expenditures or the acquisition or construction of fixed assets requiring payment by Seller of Ten Thousand Dollars (\$10,000) individually or in the aggregate;

(viii) The grant to any third party of a Lien on all or any material part of any assets;

(ix) Any joint venture or partnership or other contract providing for the sharing of profits;

(x) Any arrangement limiting the freedom of Seller or any of its Affiliates to compete in any manner in the Business or requiring Seller or any of its Affiliates to share profits of the Business;

(xi) Any arrangement related to the Business that is not in the ordinary course of business;

- (xii) Any arrangement related to the Business involving any Affiliate of Seller;
- (xiii) Any agreement or financial relationship between Seller and any third party payor;
- (xiv) Any agreement, arrangement, contract or financial relationship between Seller, or any Affiliate of Seller, and any Guarantor, direct or indirect owner of Seller that is a licensed physician or healthcare provider, or immediate family member of such Persons; and
- (xv) Any other arrangement that requires performance for a period of more than ninety (90) days or that requires payments in excess of Ten Thousand Dollars (\$10,000).

(b) Schedule 2.11(b) sets forth: (i) a list of the Business' top 20 payors (by revenue) for the 2014 fiscal year end and 2015 fiscal year to date; and (ii) a list of the top 20 vendors (by expense) for the 2014 fiscal year end and 2015 fiscal year to date.

(c) Seller has delivered to Purchaser true and complete copies of all of the Seller Agreements. Except as indicated on Schedule 2.11(a), the Seller Agreements are valid and effective in accordance with their terms, and there is not under any of such Seller Agreements (i) any existing or claimed default or breach by Seller or event which, with the notice or lapse of time or both, would constitute a default or breach by Seller or (ii) to the Knowledge of Seller, any existing or claimed default or breach by any other party or event which with notice or lapse of time, or both, would constitute a default or breach by any such party. Except as indicated on Schedule 2.11(a), the continuation, validity and effectiveness of the Assigned Property leases and Assigned Contracts will not be affected by the Acquisition, and the Acquisition will not result in a breach of, or default under, or require the consent of any other party to, any of the Assigned Property leases and Assigned Contracts. The Seller Agreements will not cause the Acquisition to be invalid or ineffective and shall not cause any impediment or limitation to the operation of the Business as an HOPD, or otherwise hinder the purposes of the Acquisition or this Agreement. There is no actual or, to the Knowledge of Seller, threatened termination, cancellation or limitation of any Seller Agreements. To the Knowledge of Seller, there is no pending or threatened bankruptcy, insolvency or similar proceeding with respect to any other party to any of the Seller Agreements.

2.12 Employment and Labor Matters.

(a) Schedule 2.12(a) sets forth a list of full-time and part-time employees of Seller who are engaged in the operation of the Business and each such employee's title, salary and benefit information. Seller shall provide additional employment information on all employees of Seller as requested by Purchaser.

(b) In respect of the Business, Seller is, and has at all times been, in compliance with all applicable Laws respecting employment and employment practices, terms and conditions of employment, wages and hours, occupational safety and health, including without limitation, ERISA, the Immigration Reform and Control Act of 1986, the National Labor Relations Act, the Civil Rights Acts of 1866 and 1964, the Equal Pay Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Davis-Bacon Act, the Walsh-Healy Act, the Service Contract Act, Executive Order 11246, the Fair Labor Standards Act and the Rehabilitation Act of 1973 and all regulations under such acts (collectively, the "Labor Laws"), and Seller is not liable for any liabilities, judgments, decrees, orders, arrearage of wages or Taxes, fines or penalties for failure to comply with any of the Labor Laws.

(c) Except as disclosed on Schedule 2.12(c), with respect to the Business:

(i) There are no (and have been no) charges, governmental audits, investigations, administrative proceedings or complaints concerning Seller's employment practices pending or, to the Knowledge of Seller, threatened before any Regulatory Authority or court, and, to the Knowledge of Seller, no basis for any such matter exists;

(ii) To the Knowledge of Seller, there are no (and have been no) inquiries, investigations or monitoring of activities of any licensed, registered, or certified professional personnel employed by, credentialed or privileged by, or otherwise affiliated with Seller pending or threatened by any state professional board or agency charged with regulating the professional activities of health care practitioners;

(iii) Seller is not a party to any union or collective bargaining agreement or any other agreement regarding the rates of pay or working conditions of any employees of Seller, and, to the Knowledge of Seller, no union attempts to organize the employees of Seller have been made, and, to the Knowledge of Seller, there are no such attempts now threatened; and

(iv) Seller has not experienced any organized slowdown, work interruption, strike, or work stoppage by its employees.

(d) None of Seller's employees have suffered an "employment loss" (as defined in the Worker Adjustment and Retraining Notification Act (the "WARN Act")), or any Law, and Seller has not been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar Law. Further, Seller has not been required to deliver, nor has it delivered, any notices required under the WARN Act or any similar Law. Seller represents and warrants to Purchaser that the WARN Act, and any similar Law, shall not be applicable or implicated as a result of the Acquisition.

2.13 Employee Benefit Matters.

(a) The employee benefit plans and agreements listed on Schedule 2.13(a) are the only employee benefit plans and agreements maintained by Seller or its ERISA affiliates for the benefit of their employees, former employees, their spouses, dependents or beneficiaries, directors, agents or independent contractors that are engaged in the operation of the Business, including without limitation, (i) all pension, retirement, profit-sharing, stock bonus or other similar plans or programs; (ii) any affirmative action plans or programs; (iii) employment agreements, current and deferred compensation, severance, vacation, stock purchase, stock option, bonus and incentive compensation benefits; and (iv) medical, hospital, life, health, accident, disability, death and other fringe and welfare benefits, all of which plans, programs, practices, policies and other individual and group arrangements and agreements, including any unwritten compensation, fringe benefit, payroll or employment practices, procedures or policies of any kind or description are hereinafter referred to as "Benefit Programs." Seller has made available to Purchaser copies of such Benefit Programs and related information.

(b) Neither Seller nor any of its ERISA affiliates has ever maintained or contributed to an employee pension benefit plan that is subject to Title IV of ERISA. Seller has not provided any welfare benefits (as defined in Section 3(1) of ERISA) to employees or former employees after retirement or other separation from service other than as required under Section 601 *et. seq.* of ERISA or Code Section 4980B. Neither Seller nor any of its ERISA affiliates has ever maintained or contributed to or been obligated to contribute to a "multiemployer plan" as defined in Section

3(37) of ERISA. Neither Seller nor any of its ERISA affiliates is or has been party to a collective bargaining agreement.

(c) Except as disclosed on Schedule 2.13(c), each of the Benefit Programs has been operated in material compliance with ERISA, the Code and any other applicable laws. Each Benefit Program that is intended to be qualified under Code Section 401(a) has received from the Internal Revenue Service a favorable determination on its qualified status. No contributions or payments are due or required to be paid with respect to any of the Benefit Programs, except for payments due or required to be paid by Seller in the normal course, consistent with past practice. No claim, investigation or lawsuit involving any Benefit Program is threatened or pending other than routine claims for benefits.

(d) No “party in interest” (as defined in Section 3(14) of ERISA) or “disqualified person” (as defined in Code Section 4975(e)(2)) with respect to any Benefit Program has engaged in any nonexempt “prohibited transaction” (described in Code Section 4975(c) or Section 406 of ERISA). No tax under Code Sections 4980B or 5000 has been incurred with respect to any Benefit Program and no circumstances exist that could give rise to such tax.

(e) None of the Liabilities of Seller pursuant to any of the Benefit Programs are being assigned to, or assumed by, Purchaser, and the Business and the Rights and Assets are not, and will not become, subject to any Lien with respect to any obligation or Liability of Seller involving the Benefit Programs.

2.14 Insurance Policies.

(a) Seller has maintained in full force and effect (i) general and professional liability insurance coverage on a claims made basis for all periods of its ownership and operation of the Business, and (ii) various policies and forms of insurance insuring the Rights and Assets, which are, in each case, of the type and in the amounts customary and adequate for the Business. Attached hereto as Schedule 2.14(a) is a summary schedule of Seller’s insurance policies and certificates of insurance evidencing such [occurrence/claims made] based coverage. These insurance provisions are subject to the terms, conditions and limitations as currently provided by Seller’s general liability and professional liability insurance programs. Seller’s insurance relating to the Business includes insurance against personal injury, property damage to third persons, medical malpractice and worker’s compensation matters. All such insurance is in full force and effect and enforceable in accordance with its terms.

(b) Seller is not now, and has not been, in default regarding the provisions of any such insurance, including, without limitation, failure to make timely payment of all premiums due thereon, and has not failed to file any notice or present any claim thereunder in due and timely fashion. With respect to the Business, Seller has not received any notification from any insurance carrier denying or disputing a claim made on any policies, denying or disputing any coverage of any claim, denying or disputing the amount of any claim, or regarding the possible cancellation or material limitation of any policies.

2.15 Taxes.

(a) Seller has timely filed with the appropriate Taxing authorities all Tax Returns in all jurisdictions in which Tax Returns are required to be filed, and such Tax Returns are correct and complete in all respects. Seller is not the beneficiary of any extension of time within which to file any Tax Return. All Taxes of Seller (whether or not shown on any Tax Return) have been fully and timely paid. There are no Liens for any Taxes (other than a Lien for current real property or ad

valorem Taxes not yet due and payable) on any of the assets of Seller. No claim has ever been made by an authority in a jurisdiction where Seller does not file a Tax Return that such entity may be subject to Taxes by that jurisdiction or have a duty to file a Tax return in that jurisdiction.

(b) Seller has not received any notice of assessment or proposed assessment in connection with any Taxes, and there are no threatened or pending disputes, claims, audits or examinations regarding any Taxes of Seller thereof or the assets of Seller. No officer or employee responsible for Tax matters of Seller thereof expects any Taxing authority to assess any additional Taxes for any period for which Tax Returns have been filed. Seller has not waived any statute of limitations in respect of any Taxes or agreed to a Tax assessment or deficiency.

(c) Seller has complied with all applicable laws, rules and regulations relating to the withholding of Taxes and the payment thereof to appropriate authorities, including Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee or independent contractor, and Taxes required to be withheld and paid pursuant to Code Sections 1441 and 1442 or similar provisions under foreign law.

(d) The unpaid Taxes of Seller (i) did not, as of the most recent fiscal month end, exceed the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the most recent balance sheet (rather than in any notes thereto) for Seller and (ii) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with past custom and practice of Seller in filing its Tax Returns.

(e) Seller is not a party to any Tax allocation or sharing agreement and Seller has not been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which is Seller) or has any Tax Liability of any Person under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign law (other than the other members of the consolidated group of which Seller is parent), or as a transferee or successor, by contract or otherwise.

(f) Seller has disclosed on its federal income Tax Returns all positions taken thereon that could give rise to a substantial understatement of federal income Tax within the means of Code Section 6662.

(g) Seller has not participated in any reportable transaction, as defined in Regulation Section 1.6011-4(b), or a transaction substantially similar to a reportable transaction.

2.16 Licenses, Authorizations and Provider Programs.

(a) Seller, with respect to the Business, is: (i) the holder of all valid licenses and other rights, permits and authorizations required by Law (including without limitation Environmental Laws) or any Regulatory Authority necessary to operate the Business; (ii) not currently certified for participation and reimbursement under the Social Security Act (the “Medicare and Medicaid Programs”) (Medicare and Medicaid Programs and such other similar federal, state or local reimbursement or governmental programs for which acute care hospitals may be eligible to receive payments on account of services provided by the Business are hereinafter referred to collectively as the “Government Programs”); (iii) not the holder of current provider or supplier agreements for such Government Programs and (iv) the holder of current provider or supplier agreements with such private non-governmental programs, including without limitation any private insurance program, under which Seller directly or indirectly is presently receiving payments (such non-governmental programs herein referred to as “Private Programs”). Set forth on Schedule 2.16(a),

as to the Business, is a correct and complete list of currently held, and previously terminated, licenses, permits and other authorizations, provider agreements and provider numbers under all Government Programs and Private Programs, complete and correct copies of which have been provided to Purchaser. True, complete and correct copies of all surveys of Seller with respect to the Business conducted in connection with any Government Program, Private Program or licensing or accrediting body during the past five (5) years have been provided to Purchaser.

(b) Seller was certified for participation and reimbursement in the Medicare program on June 21, 2015. Not later than August 22, 2015, Seller shall terminate all such provider and supplier agreements. Seller has no intent to, and has not performed, and will not perform, any services or procedures for Medicare-eligible patients, for reimbursement in the Medicare program. Seller has not received payment or issued any bill, invoice or request for payment of any kind from any Government Program.

(c) No violation, default, order or deficiency exists with respect to any of the items listed on Schedule 2.16(a). Seller, with respect to the Business, has not received any notice of any violation, deficiency, or any action pending or recommended by any Regulatory Authority having jurisdiction over the items listed on Schedule 2.16(a), either to revoke, limit, withdraw or suspend any license, right or authorization, or to terminate the participation of Seller in any Government Program or Private Program. No event has occurred which, with the giving of notice, the passage of time, or both, would constitute grounds for a violation, order or deficiency with respect to any of the items listed on Schedule 2.16(a) or to revoke, limit, withdraw or suspend any such item, or to terminate or modify the participation of Seller in any Government Program or Private Program, with the exception of those matters expressly set forth in Section 2.16(b) above. There has been no decision not to renew any provider, supplier or third-party payor agreement of Seller with respect to the Business. No employee, agent or contractor of Seller has been excluded from or prohibited from providing services under any federal or state health care program, including but not limited to the Medicare and Medicaid programs. Except as listed on Schedule 2.16(b), no consent or approval of, prior filing with or notice to, or any action by, any Regulatory Authority or any other third party is required in connection with any of the items listed on Schedule 2.16(a) or Government Program or Private Program, by reason of the consummation of the Acquisition and the operation of the Business by Purchaser thereafter as an HOPD.

(c) There are no reports required to be filed by Seller in order to be paid under any Government or Private Program for services rendered by the Business that have not been filed. Seller, with respect to the Business, has timely filed all claims and reports required to be filed by it prior to the date hereof with respect to the Government Programs and Private Programs, all fiscal intermediaries and other insurance carriers. All such reports and claims are complete and accurate and have been prepared in compliance with all applicable Laws, regulations and principles governing reimbursement and payment claims. Seller has paid or caused to be paid or have properly reflected in the Financial Statements all known and undisputed refunds, overpayments, discounts or adjustments which have become due pursuant to such reports or claims and related to the Business and have no Liability under any Government Program or Private Program for any refund, overpayment, discount or adjustment for services provided in the operation of the Business other than in the ordinary course, and no interest or penalties are accruing with respect thereto, except as has been specifically reserved for in the Financial Statements or disclosed herein or in the Schedules hereto.

(d) Except as set forth on Schedule 2.16(d), each of Seller's licenses and other rights, permits and authorizations required by Law or any Regulatory Authority necessary to operate the Business are in good standing, are not subject to any restrictions or limitations, are transferrable

and assignable to Purchaser; provided that Purchaser shall not assume any such other rights, permits and authorizations except for those expressly set forth herein.

2.17 Inspections and Investigations. Except as set forth and described in Schedule 2.17, with respect to the Business: (i) Seller's right to receive reimbursements pursuant to any Government Program or Private Program has not been terminated or otherwise adversely affected as a result of any investigation or action whether by any Regulatory Authority or other third party; (ii) Seller has not during the past three (3) years, been the subject of any inspection, investigation, survey, audit, monitoring or other form of review by any Regulatory Authority, Private Program, professional review organization, accrediting organization or certifying agency based upon any alleged improper activity on the part of Seller, and Seller has not received any notice of material deficiency during the past three (3) years in connection with its operations, except for those matters disclosed to Purchaser as referenced in Section 2.16(c) of this Agreement; (iii) there are not presently, and at the Closing Date there will not be, any outstanding deficiencies or work orders of any Regulatory Authority having jurisdiction over Seller, or other third party, requiring conformity to any applicable agreement, Law or bylaw or rule, including but not limited to, the Government Programs and Private Programs; and (iv) there is not any notice of any claim, requirement or demand of any Regulatory Authority or other third party supervising or having authority over Seller or its operations to rework or redesign any part thereof or to provide additional furniture, fixtures, equipment, appliances or Inventory so as to conform to or comply with any existing Law or standard. Seller has provided to Purchaser true and complete copies of all reports, correspondence, notices and other documents relating to any matter described or referenced on Schedule 2.17, other than any such items that are protected by the attorney-client privilege or other applicable privilege (a list of such privileged items has been provided to Purchaser).

2.18 Healthcare Laws.

(a) Seller has been and is currently operating the Business in compliance with all applicable Healthcare Laws, and no Guarantor, member, manager, owner, officer, director or employee of Seller, or any Person, has engaged in any act on behalf of Seller, that violates any Health Care Laws, except to the extent such failure would not have a material adverse effect on the operations of the Business. The term "Healthcare 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; the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. §§ 1320d-1329d-8 ("HIPAA") and any and all applicable implementing regulations, rules, ordinances, judgments, and orders; and any similar state and local statutes, regulations, rules, ordinances, judgments, and orders; and all applicable federal, state, and local licensing, certificate of need, regulatory and reimbursement statutes, regulations, rules, ordinances, orders, and judgments applicable to healthcare service providers providing the items and services that Seller provides.

(b) Seller has not received any written communication from a Governmental Authority or Private Program that alleges that Seller is not in compliance with any Healthcare Law. The term "Governmental Authority" means any federal, state, or local governmental agency, department, or division, including any entity contracting with any of the foregoing (such as carriers, fiscal intermediaries, and fiscal agents) with responsibility for regulating, licensing, certifying, surveying, authorizing, permitting, paying, recouping overpayments, fining, excluding, or taking any

enforcement action against health care service providers providing the items and services that Seller provides.

(c) Seller has not been subpoenaed or charged or investigated in connection with any possible violation of any Healthcare Law, but excluding therefrom any surveys or investigations in the ordinary course of business regarding compliance with Medicare conditions of participation or state licensure requirements for hospitals.

(d) Seller has properly and legally billed for all items and services furnished and has maintained records supporting the provision of services billed in accordance with Healthcare Laws and the terms of any Private Program or third party contract. No funds are now, or will be, withheld pursuant to any Healthcare Law, Private Program or third party contract.

(e) Neither Seller nor or any employee thereof has been excluded or is threatened with exclusion from participation in any Federal health care program, as such term is defined in section 1128B(f) the Social Security Act, 42 U.S.C. § 1320a-7b(f).

2.19 Controlled Substances. Neither Seller, nor any of its officers, directors, employees or Persons providing professional services on behalf of Seller, has, in connection with their activities directly or indirectly related to Seller, engaged in any activities which are prohibited under the Federal Controlled Substances Act, 21 U.S.C. § 801 *et seq.* or the regulations promulgated pursuant to such statute or any related state or local statutes or regulations concerning the dispensing and sale of controlled substances.

2.20 Inventories. All items of Inventory of Seller consist, and will consist at the Closing of items of a quality and quantity usable and saleable in the ordinary course of business. Since December 31, 2014, no Inventory items have been sold or disposed of, except through sales in the ordinary course of business.

2.21 Statements True and Correct. No representation or warranty made by Seller in this Agreement or in any statement, certificate or instrument to be furnished to Purchaser by Seller pursuant to any Acquisition Document contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make these statements contained herein and therein not misleading.

2.22 Environmental Matters. Seller has been and is in compliance in all material respects with applicable Environmental Laws. Seller has all Environmental Permits and to Seller's Knowledge is in compliance in all material respects with the terms thereof. There are no past or present events, activities, practices, incidents, actions or plans in connection with the operations of the Business which have given rise to or are reasonably likely to give rise to any material liability on the part of Seller under any Environmental Law. Seller has not generated, used, transported, treated, stored, released or disposed of (as defined in the Environmental Laws), or suffered or permitted anyone else to generate, use, transport, treat, store, release or dispose of any hazardous substances in material violation of any Environmental Laws. There has not been any generation, use, transportation, treatment, storage, release or disposal of any hazardous substance in connection with the conduct of the Business or the use or occupancy of the Hospital by Seller, or to the Knowledge of Seller, any nearby or adjacent properties, in each case, which has created or might reasonably be expected to create any material liability under any Environmental Law or which would require reporting to or notification of any Governmental Authority.

2.23 Brokers. No broker, agent, consultant, 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 Seller, Owner, GP or the Other Limited Partners, or their respective Affiliates.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

3.1 Organization, Authority and Capacity. Purchaser is a limited partnership validly existing and in good standing under the laws of the State of Delaware. Purchaser has the full power and authority necessary to (i) execute, deliver and perform its obligations under the Acquisition Documents to be executed and delivered by it, and (ii) carry on its business as it has been and is now being conducted and to own and lease the rights, properties and assets which it now owns or leases. Purchaser is duly qualified to do business and is in good standing in each jurisdiction in which a failure to be so qualified or in good standing would have a material adverse effect on its ability to perform its obligations under the Acquisition Documents to be executed and delivered by it.

3.2 Authorization and Validity. The execution, delivery and performance of the Acquisition Documents to be executed and delivered by Purchaser have been duly authorized by all necessary action by Purchaser. The Acquisition Documents to be executed and delivered by Purchaser have been or will be, as the case may be, duly executed and delivered by Purchaser and constitute or will constitute the legal, valid and binding obligations of Purchaser, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally, or as may be modified by a court of equity.

3.3 Absence of Conflicting Agreements or Required Consents. Except as set forth on Schedule 3.3, the execution, delivery and performance by Purchaser of the Acquisition Documents to be executed and delivered by Purchaser: (i) do not require the consent of or notice to any Regulatory Authority or any other third party; (ii) will not conflict with any provision of Purchaser's organizational documents; and (iii) will not conflict with or result in a violation of any Law, ruling, judgment, order or injunction of any Regulatory Authority to which Purchaser is subject or by which Purchaser or any of its rights, assets or properties are bound.

3.4 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 Purchaser.

ARTICLE 4

ADDITIONAL AGREEMENTS

4.1 Confidentiality, Public Announcements. Each party hereto agrees not to disclose any aspect of the discussions, negotiations, terms, status or conditions relating to the transactions contemplated herein to any third party other than their respective officers, directors, authorized employees and authorized representatives, and as necessary in order to obtain any consent required hereunder, and then only on a need to know basis, as required by law or as needed by Purchaser to use the rights and Assets in the operation of an HOPD. Following the Closing, Purchaser may publicize its Acquisition of the Business although the terms of this Agreement will remain confidential, unless required by law to be disclosed or unless they are disclosed to Purchaser's representatives as contemplated herein.

4.2 Bulk Transfer Act. The parties hereby waive compliance with the bulk transfer provisions of the Uniform Commercial Code, or any similar law as enacted in any jurisdiction, to the extent that it may be applicable to the transactions contemplated hereby.

4.3 Retained Liabilities. Seller agrees to perform and pay all Retained Liabilities and obligations arising from the operation of the Business prior to the Effective Time, as and when due. Seller further covenants and agrees that it will not take any action that could adversely affect Purchaser's relationship with any third-party related to the Business.

4.4 Certain Tax Matters. Purchaser, on the one hand, and Seller, on the other hand, shall provide the other party to this Agreement, at the reasonable expense of the requesting party, with such assistance as may reasonably be requested by any of them in connection with the preparation of any Tax Return, any audit or other examination by any Regulatory Authority, or any judicial or administrative proceedings relating to Liability for Taxes, and each will retain for the applicable statute of limitations, and agree to provide the requesting party, records and information that are relevant to the foregoing.

4.5 Title Search; Discharge of Liens. Seller shall, not later than August 28, 2015: (i) ascertain all Liens, if any, to which any of the Rights and Assets is subject, (ii) notify Purchaser in writing of the nature and extent thereof, and prior to the Closing Date, shall discharge all such Liens. Seller shall deliver evidence reasonably satisfactory to Purchaser and its counsel of such discharge at or prior to the Closing. Notwithstanding anything in this Agreement to the contrary or contained in any schedule to this Agreement, the Seller shall indemnify, defend and hold Purchaser harmless from any and all Losses relating to any Liens immediately upon request by Purchaser. Should Seller fail to indemnify Purchaser within three (3) days of Purchaser's request, Purchaser shall be entitled to draw the requested amount from the Escrow Fund and Seller shall execute any and all instructions to Escrow Agent necessary to disburse such amounts from the Escrow Fund. In the event that the amount of the Losses relating to such Liens exceeds the amount of Escrow Fund, Seller shall pay the balance to Purchaser within three (3) days and the outstanding balance shall accrue interest at a rate of eighteen (18%) percent per annum until paid in full. If any amount is drawn from the Escrow Fund pursuant to this Section, the Seller shall deposit an amount of cash in the Escrow Fund sufficient to make the balance of the Escrow Fund equal to the Escrow Amount, less any amounts paid out of the Escrow Fund that are unrelated to the discharged Liens.

4.6 Employee Matters.

(a) Seller's Benefit Programs. Purchaser shall assume no responsibility or liability with regard to any Benefit Program or any employees of Seller. To the extent necessary or required by Law, Seller may continue to communicate with the Hired Employees regarding their rights and entitlement to any benefits under any Benefit Program. Seller shall be responsible for the payment of all earned but unpaid compensation, including any salaries, bonuses, vacation pay, sick pay, severance pay and any other like obligations and payments to the employees of the Business for all periods ending on or prior to the Effective Time. Seller shall be responsible for the payment of any amounts due to its employees (including the Hired Employees) under any Benefit Program. Seller shall be responsible for all unreported or unpaid medical claims incurred by Hired Employees and their covered dependents prior to the Effective Time and for the costs associated with confinement in any medical care, nursing, rehabilitation or similar facility that commences prior to the Effective Time and continues after the Effective Time. Seller shall be responsible for offering (or continuing to offer) continuation coverage in accordance with Code Section 4980B under Seller's group health plan to Hired Employees and their "qualified beneficiaries." Seller shall be responsible for all Liabilities associated with any leaves taken prior to the Effective Time and for any Liabilities arising in connection with the WARN Act. Nothing in this Agreement shall

be construed as a binding obligation to hire any particular employee of Seller or to retain any Hired Employee for any time period. Purchaser will not offer employment to any employee of Seller that was previously terminated by Purchaser, or any Affiliates of Purchaser, for cause, or to any person who fails to pass Purchaser's pre-employment drug screening. All Hired Employees shall be terminated by Seller prior to commencement of employment by Purchaser; provided that Purchaser and any Hired Employee may reach an agreement with respect to post-closing employment prior to termination by Seller.

(b) Purchaser's Benefit Plans. Hired Employees shall be eligible to participate in employee benefit plans, programs or policies of Purchaser comparable to those offered to similarly situated employees of Purchaser. Purchaser shall be responsible for complying with the requirements of Code Section 4980B and Part 6 of Title I of ERISA for the Hired Employees and their "qualified beneficiaries" whose "qualifying event" (as such terms are defined in Code Section 4980B) occurs after the Effective Time. Purchaser shall not be required to offer continuation coverage under Purchaser's group health plan to any Hired Employee or his/her "qualified beneficiary" whose "qualifying event" occurs on or before the Effective Time.

(c) Employee Transition. Upon commencement of employment of any Hired Employee by Purchaser, Purchaser shall carry over, and give credit for, the unused PTO of the Hired Employees as of the Closing Date based on the valid records of Seller, in accordance with Purchaser's standard policies and procedures, but only to the extent that (i) the amount of PTO for any Hired Employee does not exceed two (200) hundred hours, and (ii) the value of such PTO is reflected in the Purchase Price adjustment. For all Hired Employees with PTO in excess of two hundred (200) hours as of the Closing Date, Seller shall pay all such Hired Employees an amount equal to the value of the Hired Employees' accrued PTO in excess of two hundred (200) hours. Seller shall pay all accrued PTO for all Non-Hired Employees.

4.7 Reasonable Assistance. To the extent that Seller's rights under any contract, permit or other Rights and Assets to be assigned to Purchaser hereunder may not be assigned without the consent of another Person which, despite Seller's commercially reasonable efforts, has not been obtained prior to the Closing as contemplated by this Agreement, and Purchaser has, in its sole discretion, waived the associated closing condition in this Agreement, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful. Seller shall use its best efforts at all times from and after the Closing Date to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Purchaser's rights under the Rights and Assets in question so that Purchaser would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by Law and the specific Rights and Assets and at Seller's expense, shall act on and after the Closing Date as that Purchaser's agent in order to obtain the benefits thereunder, and Seller shall cooperate, to the maximum extent permitted by Law and the specific Rights and Assets, with Purchaser in any other reasonable arrangement designed to provide such benefits to Purchaser, including any sublease or subcontract or similar arrangement. Without limiting the foregoing, Seller shall, at its expense, use its best efforts at all times from and after the Execution Date to assist Purchaser in obtaining any licenses or permits necessary to operate the Business as, and to use the Rights and Assets in the operation of, an HOPD and shall promptly take all actions necessary to terminate, transfer or assign any license, certificate, permit, accreditation, authorization, provider or supplier agreements for any Government Program or Private Program (provided that such termination shall not render Seller unable to collect amounts owed for services provided prior to the Closing), or other item currently held by Seller, as reasonably requested by Purchaser.

4.8 Insurance. Before the Closing, Seller shall purchase, at its sole expense, and agrees to provide to Purchaser evidence of, customary extended reporting endorsements, or "tail binders," on any "claims made" insurance covering professional and general liability of the Business. Such tail binders shall extend coverage for no less than five (5) years and shall provide coverage in the same, or higher amounts, and on the same, or more favorable, bases as the coverage provided by policies in effect prior to Closing.

4.9 Accounts Receivable Collection; Mis-Directed Payments. Seller agrees to cooperate with Purchaser as reasonably required in order to permit Purchaser to collect the accounts receivable arising from the conduct of Purchaser's business using the Rights and Assets after the Effective Time and to remit to Purchaser within ten (10) days any payments received, which payments are on or in respect of accounts receivable owned by Purchaser. Seller shall be solely responsible, at its own cost, for collecting the accounts receivable arising in connection with the operation of the Business prior to the Effective Time.

4.10 Delivery of Interim Financial Statements. Seller hereby covenants and agrees to deliver to Company no later than thirty (30) days following the end of each month, an interim, unaudited balance sheet of Seller with respect to the Business, and the related unaudited statements of income, changes in equity and cash flows for Seller. Seller hereby covenants and agrees to deliver to Company no later than thirty (30) days following the Closing Date, an interim, unaudited balance sheet of Seller with respect to the Business as of the Closing Date and the related unaudited statements of income, changes in equity and cash flows for Seller for the period of time between December 31, 2014 and the Closing Date (collectively, the "Interim Financial Statements"). Seller further agrees that the Interim Financial Statements shall be prepared in accordance with the books and records of the Business, shall be true, correct and complete in all material respects and shall be prepared in the same manner and presented in the same format as the Financial Statements.

4.11 Termination of Agreement. At any time before the Closing, this Agreement may be terminated and abandoned:

- (a) by the mutual written consent of Seller and Purchaser;
- (b) by Seller (if Seller is not in material breach of this Agreement) in writing, if Purchaser shall have materially breached or failed to perform any of its representations, warranties, covenants or agreements under this Agreement, which breach or failure is incapable of being cured, or is not cured, by Purchaser within five (5) days following receipt of written notice from Seller detailing such breach or failure;
- (c) by Purchaser (if Purchaser is not in material breach of this Agreement) in writing, if Seller shall have materially breached or failed to perform any of their representations, warranties, covenants or agreements under this Agreement, which breach or failure is incapable of being cured, or is not cured, by Seller within five (5) days following receipt of written notice from Purchaser detailing such breach or failure;
- (d) by Purchaser following a Material Adverse Change;
- (e) by Purchaser if Seller or GP makes any general assignment for the benefit of creditors; the filing by or against Seller or GP of a petition to have Seller or GP adjudged a bankrupt or the filing of a petition for reorganization or arrangement under any law relating to bankruptcy (unless in the case of a petition filed against Seller or GP, the same is dismissed within thirty (30) days); the appointment of a trustee or receiver to take possession of substantially all of

Seller's assets; or the attachment, execution or other judicial seizure of substantially all of Seller's; or

(f) By Purchaser, if Owner fails to obtain and deliver to Purchaser a final non-appealable order in a form satisfactory to Purchaser entered by the United States Bankruptcy Court for the Northern District of Texas approving Owner's execution of this Agreement and the enforceability of Owner's obligations under this Agreement prior to September 1, 2015;

(g) By Purchaser, if any Governmental Authority revokes, threatens to revoke, or otherwise restricts any of Seller's licenses, permits or authorizations, or Seller ceases to provide active capacity for medical services at the same or greater level as it provided on August 7, 2015;

(h) By Purchaser if, not later than August 24, 2015, the Seller fails to deliver the duly executed original joinder agreements in a form acceptable to Purchaser in its sole direction, whereby each Other Limited Partner (and the individual "Physician Owner" identified on Schedule A with respect to any Other Limited Partner that is an entity) agrees to be bound by the terms and conditions of this Agreement ("Joinder Agreement"), signed by not less than thirty (30) Other Limited Partners (subject to the requirement regarding signatures by individual physician owners), less the number of Other Limited Partners that have executed this Agreement;

(i) By Purchaser if, not later than August 24, 2015, the Seller fails to deliver the duly executed original joinder agreements in a form acceptable to Purchaser in its sole direction, whereby each of the following persons: James Kirby, M.D.; John Icton, M.D.; Erwin Lo, M.D.; C. Carey Jordan, M.D.; and J. Mark Bruyn, M.D., agrees to be bound by the terms and conditions of this Agreement ("Joinder Agreement");

(j) By Purchaser if, not later than August 28, 2015, Seller has not delivered to Purchaser the following: (i) a written, accurate list of all creditors of Seller, any amounts owed to each such creditor, and the agreed to, or proposed, payoff amounts to each such creditor, as well as a summary of status of payoff negotiations with each such creditor; (ii) payoff letters and agreements whereby all such creditors waive and release all claims against Seller and any purchaser of Seller's assets in a form acceptable to Purchaser, to be entered into by all such creditors; (iii) forms of UCC-3 termination statements or other applicable lien release documents for any secured creditor; and (iv) updated and accurate disclosure schedules to be approved by Purchaser in its sole discretion; or

(k) by either Seller or Purchaser if the Closing has not occurred within thirty (30) days of the Execution Date.

If this Agreement is terminated pursuant to this Section 4.11, this Agreement shall be of no further force or effect, provided, that no such termination shall relieve any party hereto from liability for any willful breach of this Agreement; provided, further, that the obligations of the parties set forth in Section 4.1 (Confidentiality) shall remain in force and effect

ARTICLE 5
CLOSING DELIVERABLES

The following deliverables shall be delivered in connection with the Closing:

5.1 By Seller. All of the terms, covenants and agreements of the Acquisition Documents to be complied with or performed by Seller shall have been complied with and performed in all material respects, including, but not limited to, the delivery of the following:

(a) A Certificate of Account Status certified by the Texas Comptroller of Public Accounts and a Certificate of Status certified by the Texas Secretary of State, dated within ten (5) days of the Closing;

(b) A Bill of Sale executed by Seller, the form of which is attached hereto as Exhibit 5.1(b) (“Bill of Sale”);

(c) An Assignment and Assumption Agreement executed by Seller, the form of which is attached hereto as Exhibit 5.1(c) (the “Assignment and Assumption Agreement”);

(d) Written consents of those third parties set forth on Schedule 5.1(d);

(e) Resolutions of the partners, officers, managers and/or governing body of Seller, which approve the execution, delivery and performance of this Agreement and the consummation of the Acquisition, certified by an appropriate officer of Seller, the form of which is attached hereto as Exhibit 5.1(e);

(f) Incumbency certificates which certify the identity of the officers of Seller, the form of which is attached hereto as Exhibit 5.1(f); and

(g) Officer’s certificate of Seller dated as of the Closing Date, confirming the satisfaction of all closing conditions and affirming the representations and warranties in this Agreement, the form of which is attached hereto as Exhibit 5(g);

(h) A legal opinion of Seller’s counsel issued to Purchaser and in a form acceptable to Purchaser, dated as of the Closing Date, opining as to the enforceability of the Acquisition Documents and the due authorization of the Acquisition by Seller;

(i) Evidence of insurance coverages required by Section 4.8 of this Agreement;

(j) Escrow agreement executed by Seller and Escrow Agent, the form of which is attached hereto as Exhibit 5.1(j) (the “Escrow Agreement”);

(k) The Facility Lease (as defined in Section 5.3 below) executed by CHP Beaumont TX Surgical Owner, LLC, the owner of the Leased Real Property;

(l) Evidence of the transfer or assignment, or executed documents reasonably required for the transfer or assignment, of any certification, license, permit, accreditation, authorization, provider or supplier agreements for any Government Program or Private Program that is an Assigned Contract or Assigned Permit, and, as may be required by applicable law or agreed by Purchaser and Seller, any change of ownership applications, filings or documentation relating to Government Programs;

(m) Power of Attorney, in a form reasonably acceptable to Purchaser, fully executed by Seller, authorizing Purchaser to utilize Seller's federal and state controlled substances permits and pharmacy licenses;

(n) Evidence of discharge of all Liens on the Rights and Assets and payment of all indebtedness and obligations owed by Seller, in a form acceptable to Purchaser in its sole discretion;

(o) Evidence of termination of Seller's Medicare provider agreement and identification number in a form acceptable to Purchaser in its sole discretion;

(p) Subscription agreements, investor questionnaires and similar agreements requested by the Purchaser, relating to the issuance of the MCSETX Partnership Interests to the Other Limited Partners including agreements by the Other Limited Partners to be bound by the terms and conditions of the organizational and governing documents Purchaser and the MCSETX Partnership Interests, duly executed by the Other Limited Partners;

(q) Notices to third party payors and Private Programs regarding the Acquisition as required by applicable Law, or as reasonably requested by Purchaser;

(r) Receipt of a satisfactory Phase I Environmental Site Assessment relating to the Leased Real Property, as determined in Purchaser's sole discretion;

(s) A final non-appealable order in a form satisfactory to Purchaser entered by the United States Bankruptcy Court for the Northern District of Texas approving Owner's execution of this Agreement and confirming the enforceability of Owner's obligations under this Agreement;

(t) Evidence of termination, release and extinguishment by Seller of all non-competition covenants of the Other Limited Partners in favor of Seller, including those contained in the Amended and Restated Limited Partnership Agreement of Seller, as amended;

(u) Joinder Agreements duly executed by each and every Other Limited Partner (and the individual "Physician Owner" identified on Schedule A with respect to any Other Limited Partner that is an entity); and

(v) Any other agreements, instruments or other documents duly executed by Seller, Owner, or the Other Limited Partners, as reasonably requested by Purchaser.

5.2 By Purchaser. All of the terms, covenants and agreements of the Acquisition Documents to be complied with or performed by Purchaser shall have been complied with and performed in all material respects, including, but not limited to, the delivery of the following:

(a) The Closing Payment in accordance with Section 1.2 hereof;

(b) The Assignment and Assumption Agreement executed by Purchaser; and

(c) The Escrow Agreement executed by Purchaser.

5.3 Lease Agreements. As a condition to Closing, on or before the Closing Date:

(a) Purchaser shall have entered into an amended and restated lease agreement pursuant to which Purchaser leases the entire Hospital facility (the "Facility Lease") with CHP

Beaumont TX Surgical Owner, LLC (“Landlord”), the owner of the Leased Real Property. Such agreement shall be commercially reasonable, rent and other payments shall be consistent with fair market value, and shall contain such terms, conditions and obligations as are acceptable to Purchaser in its sole discretion; and

(b) Landlord shall assign its interest in that certain Lease Agreement by and between Landlord and Erwin Lo, M.D., P.A. to Purchaser, which Lease Agreement shall become a sublease with Purchaser as sublessor and Erwin Lo, M.D., P.A. as sublessee (the “Lo Lease”). The Lo Lease shall be commercially reasonable, rent and other payments shall be consistent with fair market value, and shall contain such terms, conditions and obligations as are acceptable to Purchaser in its reasonable discretion.

ARTICLE 6

CERTAIN PRE-CLOSING COVENANTS AND CONDITIONS TO CLOSING

6.1 Conduct of Business by Seller Pending the Closing. Except as expressly contemplated or permitted by this Agreement or to the extent that Purchaser shall otherwise consent in writing, during the period commencing on the Execution Date and ending on the Closing Date or the earlier termination of this Agreement, Seller shall:

(a) carry on its Business in the usual, regular and ordinary course and consistent with past practice;

(b) not engage in any activity or take any action that could materially adversely affect the Business or the Acquisition or create a Material Adverse Change;

(c) use best efforts to (i) preserve the Business and goodwill of Seller and (ii) preserve the present relationships with Persons having business dealings with Seller (including material customers and suppliers); and (iii) preserve the present relationship with Seller’s employees;

(d) maintain (i) all of the Rights and Assets of, or used by, Seller in their current condition, ordinary wear and tear excepted, except sales and disposition of Inventory and property in the ordinary course of business and (ii) insurance on all of the Rights and Assets in such amounts and of such kinds as in effect on the Execution Date;

(e) not acquire any material properties or assets or sell, assign, license, transfer, convey, lease or otherwise dispose of any of the Rights and Assets;

(f) (i) maintain the books, accounts and records of Seller in the ordinary course of business and (ii) comply in all material respects with all contractual and other obligations of Seller;

(g) comply in all material respects with all applicable Laws;

(h) not take any action, or agree to take any action, of the nature described in Section 2.6; and

(i) not adopt, amend or terminate any employee benefit plan or increase or decrease the compensation of any employee of Seller; provided that Seller may make promotions and grant raises in the ordinary course of business and pay annual bonuses in the ordinary course of business and terminate employees in the ordinary course of business, all to the extent consistent with past practice.

6.2 Access to Assets and Information. After the Execution Date and prior to the Closing Date or the earlier termination of this Agreement, Seller shall afford Purchaser and its representatives full access, during normal business hours, to the assets, work papers, correspondence, documents, equipment and books and records relating to Seller and the Business. After Closing, Seller will maintain all books and records of Seller not transferred hereunder for a period of two (2) years and will provide Purchaser access to such books and records to the extent relating to the Rights and Assets, Assumed Liabilities or Retained Liabilities.

6.3 Notification of Certain Matters. Each of the parties shall give prompt notice to the other parties of, and use commercially reasonable efforts to prevent or promptly remedy (a) the occurrence or failure to occur, or the impending or threatened occurrence or failure to occur, of any event which would likely cause any of its representations or warranties in this Agreement to be untrue or inaccurate in any material respect at any time from the Execution Date to the Closing Date and (b) any material failure on its part to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.3 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

6.4 No Shop.

(a) Seller shall not, and shall not permit any of its directors, officers, employees, representatives or agents (collectively, the “Representatives”) to, directly or indirectly, (i) discuss, encourage, negotiate, undertake, initiate, authorize, recommend, propose or enter into, whether as the proposed surviving, merged, acquiring or acquired corporation or otherwise, any transaction involving a merger, consolidation, business combination, purchase or disposition of any of the Rights and Assets or any equity interest of Seller other than the Acquisition (an “Acquisition Transaction”), (ii) facilitate, encourage, solicit or initiate discussions, negotiations or submissions of proposals or offers in respect of an Acquisition Transaction, (iii) furnish or cause to be furnished, to any Person, any information concerning the Business in connection with an Acquisition Transaction, or (iv) 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 any of the foregoing.

(b) Seller shall cause its Representatives to immediately cease and cause to be terminated any existing discussions or negotiations with any Persons (other than Purchaser) conducted heretofore with respect to any Acquisition Transaction. Seller agree not to release any third party from the confidentiality and standstill provisions of any agreement to which Seller is a party.

6.5 Conditions Precedent.

(a) Conditions to Each Party’s Obligations. Unless waived in writing by Seller or Purchaser (if permissible under applicable law), the respective obligations of each of Seller and Purchaser to consummate the Acquisition shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

(i) No Threats of Invalidity. No unresolved claim shall have been instituted or threatened by any third party that (i) questions the validity or legality of this Agreement or the Acquisition, (ii) seeks to enjoin the consummation of any of the Acquisition or (iii) seeks material damages from the Seller or the Purchaser or their representatives as a result of this Agreement or the consummation of the Acquisition; and

(ii) Consents. All consents, approvals, authorizations, orders and actions of any Regulatory Authority or other third party required to permit the consummation of the Acquisition and the operation of the Business as an HOPD shall have been obtained or made and shall be in full force and effect.

(b) Conditions to the Obligations of Purchaser. Unless waived in writing by the Purchaser (if permissible under applicable law), the obligations of Purchaser to consummate the Transaction shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

(i) Representations and Warranties by Seller. The representations and warranties of Seller, Owner and the Other Limited Partners contained in this Agreement shall be true and correct at the date when made and on the Closing Date to the same extent as if made on the Closing Date; except to the extent such representations and warranties expressly and specifically relate to an earlier specified date, in which case as of such earlier date;

(ii) Fulfillment of Covenants by Seller. Seller shall have fulfilled its covenants, obligations and agreements as set forth in this Agreement insofar as they are required to be fulfilled at or prior to the Closing;

(iii) Closing Documents. Purchaser shall have received all of the Rights and Assets and all documents and agreements that are to be delivered to it at the Closing pursuant to Section 5.1;

(iv) Release of all Debts, and Other Obligations. Seller shall have obtained and delivered to Purchaser, documents and instruments reasonably satisfactory to Purchaser evidencing the full satisfaction and termination of all Liens on the Rights and Assets, and all related indebtedness (except for Assumed Indebtedness);

(v) Bankruptcy Court Order. Owner shall have obtained and delivered to Purchaser, a final non-appealable order in a form satisfactory to Purchaser entered by the United States Bankruptcy Court for the Northern District of Texas approving Owner's execution of this Agreement and confirming the enforceability of Owner's obligations under this Agreement;

(vi) HOPD Status. Purchaser shall have received evidence satisfactory to Purchaser, in its sole discretion, that each governmental, private or other third party payor of the Purchaser will allow, as of the Effective Time, for the Business to be included as an HOPD under all applicable agreements and contracts between Purchaser and each such payor; and

(vi) No Material Adverse Change. There shall not have been or occurred since the Execution Date any event, fact or circumstance that would have or reasonably be expected to have a Material Adverse Change.

(c) Conditions to the Obligations of Seller. Unless waived in writing by Seller (if permissible under applicable law), the obligations of Seller to consummate the Acquisition shall be subject to the fulfillment on or prior to the Closing Date of each of the following additional conditions:

(i) Representations and Warranties by Purchaser. The representations and warranties of Purchaser contained in this Agreement shall be true and correct at the date when made and on the Closing Date to the same extent as if made on the Closing Date;

(ii) Fulfillment of Covenants by Purchaser. Purchaser shall have fulfilled its covenants, obligations and agreements as set forth in this Agreement insofar as they are required to be fulfilled at or prior to the Closing;

(iii) Receipt of Payments and Closing Documents. Purchaser shall have made, or agreed to make at Closing, all payments required by this Agreement, and Seller shall have received all documents and agreements that are to be delivered to it at the Closing; and

(iv) Seller Approval. Seller shall have received approval of the Acquisition from its partners.

(d) Frustration of Closing Conditions. No party may rely on the failure of any condition set forth in Section 6.5 to be satisfied if such failure was caused by such party's failure to use its commercially reasonable efforts to consummate the Acquisition.

6.6 Consents to Assigned Contracts. Seller shall use its best efforts to obtain prior to or after the Closing, any and all consents to assign any contracts or agreements assumed by Purchaser and set forth on Schedule 1.1(c) provided, that only those consents to assign the contracts set forth on Schedule 5.1(d) will be required as a condition to Purchaser's obligation to close the transactions contemplated by this Agreement. Each party shall cooperate with the other as reasonably requested to obtain any such consents.

6.7 Patient Transition. Seller and Purchaser desire to provide for the orderly transfer of the Business and operation of the Hospital from Seller to Purchaser including but not limited to the coordination and transition of any patients who were admitted to the Hospital prior to the Closing Date and have not been discharged prior to the Closing Date. As of the Effective Time, Purchaser shall take over possession and operation of the Hospital, including the care of any and all patients admitted to the Hospital at that time.

6.8 Waiver and Release. Seller, GP, Owner and the Other Limited Partners, on behalf of themselves and their respective Affiliates, officers, directors, partners, agents, members, managers, representatives and employees ("Seller Releasing Parties") hereby waive and release, and shall hold Purchaser and its Affiliates, and their respective, officers, directors, partners, agents, representatives and employees ("Purchaser Released Parties"), harmless against, any and all claims, causes of action and demands arising among or between the Seller Releasing Parties, including any matters relating to the allocation of the Purchase Price as amongst the Seller Releasing Parties, the distribution and issuance of the MCSETX Partnership Interests and the Acquisition.

ARTICLE 7

INDEMNIFICATION

7.1 Indemnification by Seller.

(a) Subject to Sections 7.3 through 7.5, Seller, Owner and GP shall jointly and severally indemnify and hold harmless Purchaser, and its members, managers, partners, owners, officers, directors, agents and Affiliates (collectively, the "Purchaser Indemnified Parties"), from

and against any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses (including but not limited to reasonable attorneys' fees) (collectively, "Losses"), suffered or incurred by any such Purchaser Indemnified Party, if and to the extent such Losses are suffered or incurred by reason of or arising out of any of the following:

- (i) The Retained Liabilities and the Retained Assets;
- (ii) The failure of any representation or warranty of Seller contained herein or in any Acquisition Document to be true and correct when made or deemed made under the terms hereof, or the breach by Seller of any warranty contained herein or in any Acquisition Document;
- (iii) The breach of any covenant, obligation or agreement of Seller contained in this Agreement or any other Acquisition Documents;
- (iv) Any actual or alleged violation by Seller prior to the Closing of any Health Care Laws, regardless of whether any such matter (A) represents a failure of any representation or warranty contained in any Acquisition Document to be true and correct when made or deemed made or (B) represents a breach of any warranty, covenant or agreement of Seller contained in any Acquisition Document or (C) was disclosed to Purchaser in any Acquisition Document or otherwise;
- (v) Any noncompliance with any bulk transfer provisions of the Uniform Commercial Code, or any similar law, as enacted in any jurisdiction, to the extent that it may be applicable to the transactions contemplated hereby;
- (vi) Seller's participation in the Medicare program or any other Government Program, including submission of any claims or bills in connection with any Government Program;
- (vii) The rejection, deactivation or other termination of the Medicare provider agreement and/or Medicare provider number assigned to Seller;
- (viii) Purchaser's delay and additional costs incurred, in obtaining approval to operate as an HOPD, to the extent caused by Seller's rejection, deactivation or other termination of Seller's Medicare provider agreement and/or Medicare provider number;
- (ix) Any breach, default or other violation of any agreement pursuant to which Seller occupied or operated the Leased Real Property during the period prior to the Effective Time;
- (x) Any dispute, controversy, litigation, cause of action or claims amongst any or all of Seller, GP, Owner and the Other Limited Partners, and their Affiliates, for any cause whatsoever, including, but not limited to, the Acquisition, the failure of any Other Limited Partner (and any individual physician owners of any Other Limited Partner that is an entity) to execute a Joinder Agreement or this Agreement and the allocation of the Purchase Price; or
- (xi) Liabilities of Seller or its Affiliates arising out of or relating to Seller's or its Affiliates' ownership or operation of the Hospital or any of the Rights and Assets prior to the Effective Time, including, without limitation, Liabilities for claims of professional malpractice.

(b) No claim for indemnification with respect to any alleged misrepresentation or breach of warranty may be made under this Section 7.1 after the third (3rd) anniversary of the Closing Date; *provided, however*, that the right to indemnification shall extend beyond such period (i) with respect to any specific claim for indemnification for which written notice, specifying in reasonable detail the nature of the claim, was given to Seller during such period but shall expire on the expiration of the applicable statutes of limitations unless an action has been brought with respect thereto, (ii) with respect to any claim brought for a misrepresentation or breach of Sections 2.12 (Employment and Labor Matters), 2.13 (Benefit Matters), 2.15 (Tax), 2.16 (Licenses and Authorizations), 2.17 (Inspections and Investigations), 2.18 (Health Care Laws) or 2.19 (Controlled Substances), until the Liability to which any such claim may relate is barred by all applicable statutes of limitations, and (iii) with respect to any claim brought for a misrepresentation or breach of Sections 2.1 (Qualification), 2.2 (Authority), 2.3 (Required Consents), 2.10(a) (Property) and 2.22 (Environmental Matters) of this Agreement indefinitely.

(c) Notwithstanding anything to the contrary set forth herein, the maximum aggregate liability of Owner for indemnification under this Section 7.1 shall not exceed the Escrow Amount; *provided, however*, that such limitation shall not apply to any Purchaser Indemnified Party's claim for indemnity against Owner arising from any fraud or willful misconduct by Owner, or by reason of any claim brought for a misrepresentation or breach of Sections 2.1 (Qualification) and 2.2 (Authority).

7.2 Indemnification by Purchaser.

(a) Subject to Sections 7.3 through 7.5, Purchaser shall indemnify and hold harmless Seller, and any of Seller's members, managers, officers, directors, agents and Affiliates, at all times after the date hereof from and against any and all Losses suffered or incurred by any such party by reason of, or arising out of any of the following:

(i) The Assumed Liabilities;

(ii) The failure of any representation or warranty contained in Article 3 hereof or in any Acquisition Document to be true and correct when made or deemed made under the terms hereof, or the breach by Purchaser of any warranty contained in Article 3 hereof in any Acquisition Document or any document or instrument delivered by Purchaser in connection therewith; and

(iii) The breach of any covenant, obligation or agreement of Purchaser contained in this Agreement or the Acquisition Documents.

(b) No claim for indemnification with respect to any alleged misrepresentation or breach of warranty may be made under this Section 7.2 after the third (3rd) anniversary of the Closing Date; *provided, however*, that the right to indemnification shall extend beyond such period with respect to any specific claim for indemnification for which written notice was given to Purchaser during such period but shall expire on the expiration of the applicable statutes of limitations unless an action has been brought with respect thereto.

7.3 Notice and Opportunity to Defend. If any party indemnified under this Agreement (an "Indemnified Party") has notice of facts or circumstances that could reasonably result in a claim for indemnification under this Article 7, then such Indemnified Party shall promptly after receiving notice thereof give the party from which indemnification may be sought (the "Indemnifying Party") prompt

written notice of any such claim. No Indemnified Party shall be subject to any liability for a delay in the delivery of such notice to the extent such delay does not materially compromise or prejudice any right of the Indemnifying Party. Following receipt of such notice, the Indemnifying Party may undertake the defense of such claim if: (i) the Indemnifying Party gives written notice to such Indemnified Party that the Indemnifying Party intends to undertake such defense and that the Indemnifying Party will indemnify the Indemnified Party against all Losses resulting from or relating to such claim pursuant to this Article 7; and (ii) the claimant making each claim does not seek an injunction or other equitable relief as a primary element of relief. If assumed by the Indemnifying Party, the defense of the claim will be conducted actively and diligently by legal counsel reasonably acceptable to the Indemnified Party or such Indemnified Party may re-undertake the defense thereof at the expense of the Indemnifying Party. If the Indemnifying Party assumes the defense of a claim, the Indemnified Party may, by counsel of its choice, participate in such defense at its own expense. The Indemnified Party shall furnish to the Indemnifying Party, in reasonable detail, such information as the Indemnified Party may have with respect to such claim, including all records and similar materials that are reasonably required in the defense of such claim. If, within ten (10) days after notice of any such claim, the Indemnifying Party has not notified the Indemnified Party of its intention to defend the claim, then each Indemnified Party will (without further notice to the Indemnifying Party) have the right to undertake the defense of such claim and the Indemnifying Party shall nonetheless bear the costs and Losses of the Indemnified Party to the extent the Indemnifying Party is responsible for such costs and Losses pursuant to the terms hereof. The Indemnifying Party may elect to participate in such proceedings, negotiations or defense at any time at its own expense. No Indemnifying Party shall settle any claim it is defending under this Section 7.3 without the consent of the Indemnified Party, which consent will not be unreasonably withheld, unless the settlement provides for (i) no relief other than monetary damages against which the Indemnified Party is fully indemnified, and (ii) an unconditional release of the Indemnified Party.

7.4 Survival. The representations and warranties of the parties contained in the Acquisition Documents or in any document or instrument delivered in connection therewith shall survive the Closing, and shall not be extinguished thereby notwithstanding any investigation or other examination by any party. None of the limitations contained in this Article 7 shall apply to fraud or intentional misrepresentation or an intentional breach on the part of a party to the Acquisition Documents.

7.5 Losses Net of Insurance. The amount of any claim for which indemnification is provided under this Article 7 shall be net of any amounts actually recovered by the Indemnified Party under insurance policies with respect to such claim. If, following the receipt by any Indemnified Party of any indemnity payment hereunder, such Indemnified Party shall receive any insurance recovery or indemnity payment from a third party in respect of the same underlying claim, the Indemnified Party shall reimburse the Indemnifying Party hereunder to the extent of such insurance recovery or third-party indemnity payment.

7.6 Escrow Arrangements.

(a) Escrow Fund. By virtue of this Agreement and as partial security for the indemnity provided for in this Article 7, the Escrow Amount shall be deposited by Purchaser promptly after the Closing with the Escrow Agent, such deposit to constitute the Escrow Fund. The Escrow Fund shall be available as partial compensation to the Purchaser Indemnified Parties for any claims by such parties for any Losses suffered or incurred by them and for which they are entitled to recovery under this Article 7.

(b) Distribution of Escrow Fund. Subject to the following requirements, the Escrow Fund shall be in existence as promptly as practicable following the Closing and shall terminate at 5:00 p.m. Central Time, on the day that is eighteen (18) months after the Closing Date (the

“Escrow Period”), and the Escrow Agent shall distribute the funds in the Escrow Fund, if any, to Seller following such termination or earlier pursuant to the terms of this Agreement; provided, however, that the Escrow Fund, or any portion thereof, not used to satisfy indemnification claims of the Purchaser Indemnified Parties shall not terminate with respect to the amount of any unsatisfied claims specified in any Officer’s Certificate, as hereafter defined (“Unresolved Claims”) delivered to the Escrow Agent prior to the expiration of the Escrow Period. As soon as all such claims have been resolved, the Escrow Agent shall deliver to the Seller the remaining portion of the Escrow Fund, if any, not required to satisfy such Unresolved Claims.

(c) Claims Upon Escrow Fund. Upon receipt by the Escrow Agent at any time on or before the last day of the Escrow Period of a certificate signed by any officer of Purchaser (an “Officer’s Certificate”): (i) stating that an Indemnified Party has paid or properly accrued or reasonably anticipates that it will have to pay or accrue Losses, which Losses may include amounts paid or payable to any creditor of Seller that has made demand on Purchaser for payment of services, materials, or supplies provided to Seller in connection with the operation of the Hospital prior to the Effective Time, and (ii) specifying in reasonable detail the individual items of Losses included in the amount so stated, the date each such item was paid or properly accrued, or the basis for such reasonably anticipated liability, and the nature of the misrepresentation, breach of warranty or covenant or otherwise to which such item is related, the Escrow Agent shall, subject to the provisions of Section 7.6(d) hereof and pursuant to terms of the Escrow Agreement, transfer to Purchaser out of the Escrow Fund, as promptly as practicable, funds held in the Escrow Fund in an amount equal to such Losses. In the event that Purchaser shall make any claim upon the Escrow Fund in accordance herewith, Purchaser shall not be required to take any action, including but limited to obtaining stay relief, relief from any confirmation or other order or obtaining any permission to pursue the Escrow Fund, in the Owner’s bankruptcy proceeding currently pending in the United States Bankruptcy Court for the Northern District of Texas.

(d) Objections to Claims. At the time of delivery of any Officer’s Certificate to the Escrow Agent, a duplicate copy of such certificate shall be delivered to Seller and for a period of thirty (30) days after such delivery, the Escrow Agent shall make no transfer to Purchaser or a Purchaser Indemnified Party, as the case may be, of the Escrow Fund, or any portion thereof unless the Escrow Agent shall have received written authorization from Seller to make such transfer. After the expiration of such thirty (30) day period, the Escrow Agent, pursuant to the terms of the Escrow Agreement, shall transfer the funds from the Escrow Fund to purchaser or the Purchaser Indemnified Party; provided, however, that no such transfer may be made if Seller shall object in a written statement to the claim made in the Officer’s Certificate, and such statement shall have been delivered to the Escrow Agent prior to the expiration of such thirty (30) day period.

(e) Resolution of Conflicts.

(i) In case Seller shall timely object in writing to any claim or claims made in any Officer’s Certificate, Seller and Purchaser shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. Upon agreement, a joint written instruction setting forth such agreement shall be prepared and signed by both parties and shall be furnished to the Escrow Agent. The Escrow Agent shall be entitled to rely on any such joint written instruction and distribute funds from the Escrow Fund in accordance with the terms thereof

(ii) If no such agreement can be reached after good faith negotiation of at least sixty (60) days then either Purchaser or Seller may pursue any remedy available to such party; provided that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions

contemplated hereby shall be brought exclusively in any court of competent jurisdiction in Jefferson County, Texas or the United States Federal Court for the Eastern District of Texas, Beaumont Division, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the full extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding that is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Each of the parties hereto agrees that, subject to rights with respect to post-trial motions and rights of appeal or other avenues of review, a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(f) Fees. All fees of the Escrow Agent for performance of its duties hereunder shall be borne equally by Purchaser and Seller.

(g) Payment of Trade Creditor Claims from Escrow Fund. Notwithstanding anything in this Agreement to the contrary, including Section 7.6(c), within five (5) days of receiving any demand for payment from any trade creditor, supplier, vendor or service provider relating to the operation of the Business prior to the Effective Time (a "Trade Creditor Claim"), Seller, GP or Owner shall provide Purchaser written notice of such Trade Creditor Claim, which shall specify in reasonable detail the services, supplies or goods provided by such party, the alleged non-payment obligations and Seller's good faith verification of the amounts owed to such party, including a copy of any written documentation or correspondence received from such demanding party. If Seller has not fully and finally settled any Trade Creditor Claim within thirty (30) days of such notice, Purchaser may, but shall not be required, to withdraw from the Escrow Fund, the amount necessary to pay off such Trade Creditor Claim and will have the right to settle the Trade Creditor Claim on behalf of Seller, GP, Owner and Purchaser. In order to draw the Escrow Funds to pay any such Trade Creditor Claim, Purchaser shall provide written notice to the Escrow Agent specifying the Trade Creditor Claim and the amount necessary to settle the Trade Creditor Claim, whereupon, the Escrow Agent shall disburse the Escrow Funds in the amount requested to satisfy such Trade Creditor Claim. Seller shall not be entitled to object to any disbursement from the Escrow Funds that complies with the foregoing provisions.

ARTICLE 8

CERTAIN POST-CLOSING MATTERS

8.1 Preservation and Access to Records After the Closing.

(a) From the Closing Date until the expiration of the respective period required by applicable law (the "Document Retention Period"), Purchaser shall keep and preserve all medical records, patient records, and other books and records which are among the Rights and Assets transferred to Purchaser at the Closing, but excluding any records which are among the Retained Assets or are not otherwise part of the Rights and Assets. Purchaser will afford to the representatives of Seller, including its counsel and accountants, access to, and copies (including, without limitation, color laser copies) of, such records with respect to time periods prior to the Effective Time (including, without limitation, access to records of patients treated at the Hospital prior to the Effective Time) during normal business hours after the Effective Time, to the extent reasonably needed by Seller or its Affiliates to comply with legal requirements, prepare financial statements, or other reasonable business purposes, provided the expense of any copying or reproduction shall be solely at Seller's expense. Seller, upon reasonable request by Purchaser, shall

issue, either individually with approval and input from Purchaser or jointly with Purchaser, any notices required by applicable state or federal law regarding the transfer of patient records.

(b) For a five (5) year period following the Closing Date, or to the extent there is continuing litigation at the end of such five (5) year period, until the conclusion of such litigation, each party shall give reasonable cooperation to the other party, its Affiliates and its insurance carriers in respect of the defense of claims by third parties against such party or any of its Affiliates. With respect to claim made against Seller or its Affiliates, such cooperation shall include, without limitation, making the Hired Employees reasonably available for interviews, depositions, hearings and trials; *provided, however*, that Seller will pay all travel and related expenses incurred by Purchaser and its employees in connection with providing such cooperation and if such cooperation requires any employee of Purchaser to spend more than twenty-four (24) hours, Seller shall reimburse Purchaser for the actual per hour cost of such employee for any hours spent in excess of twenty-four (24) hours. In addition, Seller and its Affiliates shall be entitled to remove from the Hospital originals of any records, but only for purposes of pending litigation involving the persons to whom such records refer, as certified in writing prior to removal by counsel retained by Seller or any of its Affiliates in connection with such litigation, provided that a copy of any original records removed by Seller shall remain at the Hospital and shall be made at Seller's expense. Any records so removed from the Hospital shall be promptly returned to Purchaser following Seller's use of such records.

(c) Seller will afford to the representatives of Purchaser, including its counsel and accountants, full and complete access to, and copies of all documents, records, correspondence, work papers and other documents retained by Seller pertaining to any of the Rights and Assets or with respect to the operation of the Hospital prior to the Effective Time, during normal business hours after the Effective Time, to the extent reasonably needed by Purchaser or its Affiliates for reasonable business purposes, provided the expense of any copying or reproduction shall be solely at Purchaser's expense.

(d) Seller and its Affiliates shall cooperate with Purchaser, on a timely basis and as reasonably requested by Purchaser, in connection with the provision of all data of the Hospital and other information required by Purchaser for reporting to any accrediting body following the Closing. Purchaser shall cooperate with Seller, on a timely basis and as reasonably requested by Seller, in connection with the provision of all data of the Hospital and other information required by Seller for reporting to any accrediting body for the remainder of the quarterly period in which the Closing has occurred.

8.2 Cost Report Matters. Seller shall prepare and promptly file all cost reports relating to the periods ending prior to the Effective Time or required as a result of the consummation of the transactions described in this Agreement, including, without limitation, those relating to Medicare, Medicaid, its fiscal intermediary and other Private Payors which settle on a cost report basis (the "Seller Cost Reports"); *provided, however*, that Seller shall provide Purchaser with copies of any Seller Cost Reports it intends to file along with any support documentation reasonably requested by Purchaser at least fifteen (15) days in advance of the anticipated or required filing date.

8.3 Termination of Licenses and Permits. Seller shall terminate those licenses, certificates, authorizations and permits of Seller that are not Assigned Permits as required by Law or requested by Purchaser promptly and in due course after Closing.

ARTICLE 9
NON-COMPETITION AND NON-SOLICITATION; GUARANTEES

9.1 Non-Competition.

(a) During the three (3) year period commencing on the Closing Date, Seller, Owner and the Other Limited Partners, and their respective Affiliates (collectively, the “Seller Restricted Parties”) shall not, and shall cause each of their respective Affiliates, including any of their respective officers, members, managers, partners, owners, and shareholders not to, directly or indirectly, in any capacity (i) develop, acquire, promote, construct, lease from or to another party, own, manage, operate or control any Prohibited Business that is located within the Restricted Area, (ii) manage or provide management or consulting services to, or participate in the management or control of, any Person with respect to the development, construction, ownership or operation of any Prohibited Business that is located within the Restricted Area, or (iii) own a direct or indirect interest (financial or otherwise) in, or lend money to, any Person that engages in any of the activities described in clauses (i) and (ii), above, except as disclosed on Schedule 9.1. Notwithstanding the foregoing, the parties acknowledge and agree that the foregoing covenant shall not prohibit any arrangement with Purchaser or any Person owned, controlled or managed by Purchaser or an Affiliate of Purchaser. The Seller Restricted Parties acknowledge and agree that V.T.C.A., Bus. & C §15.50(b) shall not apply to the foregoing restrictions because the restrictions set forth herein relate to business ownership interests in a licensed hospital by a physician(s) and hereby waive any and all claims, defenses and suits alleging that such statute applies. If any court of competent jurisdiction determines that V.T.C.A., Bus. & C §15.50(b) is applicable, no Seller Restricted Party shall be prohibited from taking the actions described in §15.50(b) and the Seller Restricted Party may buy out of the foregoing covenant not to compete at a reasonable price to be determined by a mutually agreed upon arbitrator, and in the event that the parties are unable to agree upon an arbitrator, an arbitrator of the court shall make a binding decision on all parties.

(b) The Seller Restricted Parties recognize that the covenants in this Section 9.1, and the territorial, time and other limitations with respect thereto, are reasonable and properly required for the adequate protection of the acquisition of the Rights and Assets purchased by Purchaser, and agree that such limitations are reasonable with respect to their activities, business and public purpose. The Seller Restricted Parties agree and acknowledges that the violation of the covenants or agreements in this Section 9.1 would cause irreparable injury to Purchaser and that the remedy at law for any violation or threatened violation thereof would be inadequate and that, in addition to whatever other remedies may be available at law or in equity, Purchaser shall be entitled to temporary and permanent injunctive or other equitable relief without the necessity of proving actual damages or posting bond. The parties hereto also waive any requirement of proving actual damages in connection with the obtaining of any such injunctive or other equitable relief.

(c) During the five (5) year period commencing on the Closing Date, the Seller Restricted Parties shall not directly or indirectly, in any capacity, solicit for employment by such Person any Person who was an employee of the Hospital as of the Closing Date without the prior written consent of Purchaser.

(d) It is the intention of each party hereto that the provisions of this Section 9.1 shall be enforced to the fullest extent permissible under the Law and the public policies of the state of Texas and of any other jurisdiction in which enforcement may be sought, but that the unenforceability (or the modification to conform with such Laws or public policies) of any provisions hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any term or provision of this Section 9.1 shall be determined to be illegal, invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended, and the

parties hereby consent to and authorize any court of competent jurisdiction to amend this Agreement, to delete or modify, as necessary, the offending provisions and to alter the balance of this Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid. The Seller Restricted Parties acknowledge and agree that V.T.C.A., Bus. & C §15.50(b) shall not apply to the foregoing restrictions because the restrictions set forth herein relate to business ownership interests in a licensed hospital by a physician(s) and hereby waive any and all claims, defenses and suits alleging that such statute applies. If, however, any court of competent jurisdiction determines on its own that V.T.C.A., Bus. & C §15.50(b) is applicable, no Seller Restricted Party shall be prohibited from taking the actions described in §15.50(b) and the Seller Restricted Party may buy out of the foregoing covenant no to compete at a reasonable price to be determined by a mutually agreed upon arbitrator, and in the event that the parties are unable to agree upon an arbitrator, an arbitrator of the court shall make a binding decision on all parties.

ARTICLE 10

CERTAIN DEFINITIONS

(a) Except as otherwise provided herein, the capitalized terms set forth below have the following meanings:

“Acquisition” has the meaning set forth in the Preamble of this Agreement.

“Acquisition Documents” means this Agreement and the other documents and instruments to be delivered pursuant to this Agreement.

“Acquisition Transaction” has the meaning set forth in Section 6.4 of this Agreement.

“Affiliate” means (i) a Person controlling, controlled by or under common control with, another Person, and (ii) any Person capable of being controlled by Seller, with “control” having the meaning provided by Rule 405 of the Securities Act of 1933, as amended, as in effect on the Execution Date.

“Agreement” means this Asset Purchase Agreement, including the Exhibits and Schedules delivered pursuant hereto and incorporated herein by reference.

“Allocation Schedule” has the meaning set forth in Section 1.4 of this Agreement.

“Assigned Contracts” has the meaning set forth in Section 1.1(c) of this Agreement.

“Assigned Permits” has the meaning set forth in Section 1.1(i) of this Agreement.

“Assigned Property Leases” has the meaning set forth in Section 1.1(b) of this Agreement.

“Assumed Indebtedness” has the meaning set forth in Section 1.6 of this Agreement.

“Assumed Liabilities” has the meaning set forth in Section 1.6 of this Agreement.

“Assumed PTO” has the meaning set forth in Section 1.6 of this Agreement.

“Base Purchase Price” has the meaning set forth in Section 1.2 of this Agreement.

“Beneficiary” has the meaning set forth in Section 1.9 of this Agreement.

“Benefit Programs” has the meaning set forth in Section 2.13 of this Agreement.

“Business” has the meaning set forth in the Preamble of this Agreement.

“Cash Purchase Price” has the meaning set forth in Section 1.2 of this Agreement.

“Closing” has the meaning set forth in Section 1.1 of this Agreement.

“Closing Date” has the meaning set forth in Section 1.7 of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and its successor and the rules and regulations promulgated thereunder.

“Document Retention Period” has the meaning set forth in Section 8.1 of this Agreement.

“Effective Time” has the meaning set forth in Section 1.7 of this Agreement.

“Environmental Laws” means all applicable statutes, rules, regulations, ordinances, orders, decrees, judgments, Environmental Permits, and governmental requirements or directives or other obligations lawfully imposed by Governmental Authority under federal, state, local or common law, indemnity agreements or other contractual obligations, in each case, pertaining to the protection of the environment, protection of public health, protection of worker health and safety, the treatment, emission and/or discharge of gaseous, particulate and/or effluent pollutants, and/or the handling of hazardous materials, including without limitation, the Clean Air Act, 42 U.S.C. § 7401, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1321, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.

“Environmental Permit” means any permit, license, authorization, consent or similar item required by Environmental Laws for the operation of the Business.

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

“ERISA affiliate” means, with respect to any entity, any other entity, which, together with such entity, would be treated as a single employer (i) under Code Section 414(b) or (c) or (ii) for purposes of any benefit plan subject to Title IV of ERISA, under Code Section 414(b), (c), (m) or (o).

“Escrow Agent” means Wells Fargo, NA.

“Escrow Amount” means One Million Five Hundred Thousand and No/100 (\$1,500,000.00) Dollars to be deposited by Purchaser with Escrow Agent.

“Escrow Fund” means the Escrow Amount plus any interest or earnings added to the Escrow Amount.

“Escrow Period” has the meaning set forth in Section 7.6(b) of this Agreement.

“Execution Date” means the date set forth in the introductory paragraph of this Agreement.

“Exhibits” means the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

“Facility Lease” has the meaning set forth in Section 5.3 of this Agreement.

“Financial Statements” has the meaning set forth in Section 2.5 of this Agreement.

“GAAP” means generally accepted accounting principles as employed in the United States of America, applied consistently with prior periods.

“Government Programs” has the meaning set forth in Section 2.16(a) of this Agreement.

“Governmental Authority” has the meaning set forth in Section 2.18 of this Agreement..

“Healthcare Laws” has the meaning set forth in Section 2.18 of this Agreement.

“HIPAA” has the meaning set forth in Section 2.18 of this Agreement.

“Hired Employees” means all employees of Seller accepting Purchaser’s offer of employment who satisfy Purchaser’s standard drug test and background check prior to the Closing Date.

“HOPD” has the meaning set forth in the Preamble of this Agreement.

“Hospital” has the meaning set forth in the Preamble of this Agreement.

“Indemnified Party” has the meaning set forth in Section 7.3 of this Agreement.

“Indemnifying Party” has the meaning set forth in Section 7.3 of this Agreement.

“Indemnity Adjustment” has the meaning set forth in Section 1.2 of this Agreement.

“Intellectual Property Right” means all trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, copyrights, works of authorship, inventions (whether patentable or not), invention disclosures, industrial models, industrial designs, utility models, certificates of invention, designs, emblems and logos, trade secrets, manufacturing formulae, technical information, patents, patent applications, moral rights, mask work registrations, franchises, franchise rights, customer and supplier lists, and related identifying information together with the goodwill associated therewith, product formulae, product designs, product packaging, business and product names, slogans, rights of publicity, improvements, processes, specifications, technology, methodologies, computer software (including all source code and object code), firmware, development tools, flow charts, annotations, all Web addresses, sites and domain names, all data bases and data collections and all rights therein, any other confidential and proprietary right or information, whether or not subject to statutory registration, as each of the foregoing rights may arise anywhere in the world, and all related technical information, manufacturing, engineering and technical drawings, know-how, and all pending applications and registrations of patents, and the right to sue for past infringement, if any, in connection with any of the foregoing, and all documents, disks, records, files, and other media on which any of the foregoing is stored, and other proprietary rights, in the case of each of the foregoing which is owned by Seller or used or held for use by such Person in connection with the Business.

“Interim Financial Statements” has the meaning set forth in Section 4.10 of this Agreement.

“Inventory” means all supplies, items and products held for use in the operation or conduct of the Seller's business, and any rights of the Seller to the warranties received from suppliers and any related claims, credits, rights of recovery and setoff with respect to such Inventory, but only to the extent such rights are assignable to, and exercisable by, the Purchaser.

“Inventory Adjustment” has the meaning set forth in Section 1.2 of this Agreement.

“Inventory Amount” has the meaning set forth in Section 1.2 of this Agreement.

“Joinder Agreement” has the meaning set forth in Section 4.11(h) of this Agreement.

“Knowledge” means a natural Person shall be deemed to have “Knowledge” of a particular fact, matter or circumstance if (i) such Person was actually aware of such fact, matter or circumstance or (ii) a reasonably prudent Person having the professional responsibilities of the Person in question would reasonably be expected to have obtained knowledge of such fact, matter or circumstance in the ordinarily prudent discharge of their duties and responsibilities. For purposes of this Agreement, Seller's Knowledge shall refer to the Knowledge of the Owner, the Other Limited Partners and the persons serving, now or at any time, in the following positions on behalf of Seller: CEO, CFO, CNO, CIO/CTO, CCO, Quality Manager/Safety Officer, or their equivalents.

“Labor Laws” has the meaning set forth in Section 2.12(b) of this Agreement.

“Law” means any local, state, federal, or foreign code, law, ordinance, regulation, reporting, ruling or licensing requirement, rule, or statute applicable to a Person or its assets, Liabilities or business, including those promulgated, interpreted or enforced by any Regulatory Authority.

“Leased Real Property” has the meaning set forth in Section 2.10(d) of this Agreement.

“Liability” means any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, known or unknown, liquidated or unliquidated, matured or unmatured, or otherwise.

“Lien” means any conditional sale agreement, covenant, default of title, easement, encroachment, encumbrance, hypothecation, infringement, lien, mortgage, pledge, reservation, restriction, right of way, security interest, title retention or other security arrangement, or any adverse right or interest, charge, or claim of any nature whatsoever of, on, or with respect to any right, title or interest in or to any right, asset or property.

“Losses” has the meaning set forth in Section 7.1(a) of this Agreement.

“Material Adverse Change” means any material adverse effect on, or change, event, occurrence or state of facts materially adverse to (i) the Business or the properties, assets, results of operations, or financial condition or prospects of Seller or (ii) Seller’s or any Owner’s or Guarantor’s ability to, in a timely manner, perform their obligations under this Agreement or consummate the Acquisition.

“MCSETX Partnership Interest(s)” has the meaning set forth in Section 1.11 of this Agreement.

“Medicare and Medicaid Programs” has the meaning set forth in Section 2.16(a) of this Agreement.

“Non-Hired Employees” has the meaning set forth in Section 1.5(h) of this Agreement.

“Officer’s Certificate” has the meaning set forth in Section 7.6(c) of this Agreement.

“Other Limited Partners” means collectively and interchangeably, those Persons identified on Schedule A attached to this Agreement, including any individual “Physician Owner” identified on Schedule A with respect to any Other Limited Partner that is an entity.

“Payee” has the meaning set forth in Section 1.9 of this Agreement.

“Payer” has the meaning set forth in Section 1.9 of this Agreement.

“Person” means a natural person or any legal, commercial or governmental entity, including any Regulatory Authority, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.

“Private Programs” has the meaning set forth in Section 2.16(a) of this Agreement..

“Prohibited Business” means ownership, management, supervision or operation of hospital or outpatient surgical center, and any business or services related thereto. The term “Prohibited Business” shall not include any arrangement for services to be provided to, or ownership of, Purchaser or an Affiliate of Purchaser.

“Proration Items” has the meaning set forth in Section 1.9 of this Agreement.

“Purchase Price” has the meaning set forth in Section 1.2 of this Agreement.

“Purchaser Indemnified Parties” has the meaning set forth in Section 7.1(a) of this Agreement.

“Recipient” has the meaning set forth in Section 1.9 of this Agreement.

“Regulatory Authority” means local, state, federal or foreign governmental body or agency, including without limitation any regulatory agency having jurisdiction over any of the parties or the Acquisition.

“Representatives” has the meaning set forth in Section 6.4 of this Agreement.

“Restricted Area” means the area within a fifty (50) mile radius of the Hospital, plus the thirty-five (35) mile radius of The Medical Center of Southeast Texas.

“Retained Assets” has the meaning set forth in Section 1.3 of this Agreement.

“Retained Liabilities” has the meaning set forth in Section 1.5 of this Agreement.

“Rights and Assets” has the meaning set forth in Section 1.1 of this Agreement.

“Schedules” means the Schedules so marked, copies of which are attached to this Agreement. Such Schedules are incorporated by reference in this Agreement and made a part of this Agreement, and they may be referred to in this Agreement and any other related instrument or document without being attached to such related instrument or document. For purposes of this Agreement, items disclosed on each Schedule must specifically reference that Seller to which each disclosure relates.

“Seller Agreements” has the meaning set forth in Section 2.11 of this Agreement.

“Seller Cost Reports” has the meaning set forth in Section 8.3 of this Agreement.

“Seller Restricted Parties” means the Seller and the Other Limited Partners, and their respective Affiliates.

“Stark Law” has the meaning set forth in Section 2.18 of this Agreement.

“Target Inventory Amount” has the meaning set forth in Section 1.2 of this Agreement.

“Tax” means any federal, state, county, local, or foreign taxes, charges, fees, levies, imposts, duties, or other assessments, including income, gross receipts, excise, employment, sales, use, transfer, recording license, payroll, franchise, severance, documentary, stamp, occupation, windfall profits, environmental, federal highway use, commercial rent, customs duties, capital stock, paid-up capital, profits, withholding, Social Security, single business, unemployment, disability, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by the United States or any state, county, local or foreign government or subdivision or agency thereof, whether disputed or not, including any interest, penalties, and additions imposed thereon or with respect thereto, and including any Liability for Taxes of another Person pursuant to a contract, as a transferee or successor, under Treasury Regulation Section 1.1502-6 or analogous state, local or foreign law or otherwise.

“Tax Return” means any return, report, filing, declaration or statement relating to Taxes that are required to be filed, recorded, or deposited with any Regulatory Authority, including any attachment thereto or amendment thereof.

“Unresolved Claims” has the meaning set forth in Section 7.6(b) of this Agreement.

“WARN Act” has the meaning set forth in Section 2.12(d) of this Agreement.

(b) Any singular term in this Agreement shall be deemed to include the plural and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.”

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 Notices.

(a) Any notice sent in accordance with the provisions of this Section 11.1 shall be deemed to have been received on the date which is: (i) the date of proper posting, if sent by certified U.S. mail or by Express U.S. mail or recognized overnight courier; or (ii) the date on which sent, if sent by facsimile transmission, with confirmation and with the original to be sent by certified U.S. mail or recognized overnight courier, addressed as follows:

If to Seller: Victory Beaumont Medical Center LP
2001 Timberloch Place, Ste. 200
The Woodlands, Texas 77380
Attention: Robert N. Helms, Jr.

Copy to Counsel: Stuart F. Miller
Baker Donelson Bearman Caldwell & Berkowitz
1301 McKinney Street, Ste. 3700
Houston, Texas 77010
Fax : 713-456-2749

If to Purchaser: The Medical Center of Southeast Texas, LP
d/b/a The Medical Center of Southeast Texas
2555 Jimmy Johnson Blvd.
Port Arthur, Texas 77640
Attention: CEO

Copy to IASIS: IASIS Healthcare
Attn: James Hoffman
117 Seaboard Lane
Franklin, TN 37067
Tel: 615 467 1371
Fax: 615 467 1271

Copy to Counsel: General Counsel
IASIS Healthcare
117 Seaboard Lane
Franklin, TN 37067
Tel: 615 467 1371
Fax: 615 467 1271

Breazeale, Sachse & Wilson, LLP
301 Main Street
Suite 2300
Baton Rouge, LA 70801
Attn: Emily B. Grey and Eric B. Landry
Tel: 225-387-4000
Fax: 225-381-8029

(b) Any party hereto may change its address specified for notices herein by designating a new address by notice in accordance with this Section 11.1.

11.2 Expenses. Each of the parties hereto shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder

11.3 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing, it will execute such additional instruments and take such actions as may be reasonably requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

11.4 Waiver; Remedies Cumulative. Any failure on the part of any party to comply with any of its obligations, agreements or conditions hereunder may be waived by any other party to whom such compliance is owed only by an agreement in writing signed by the parties against whom enforcement of such waiver is sought. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative.

11.5 Assignment. This Agreement shall not be assignable by any of the parties hereto without the written consent of all other parties.

11.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and permitted assigns. This Agreement shall survive the Closing and not be merged therein.

11.7 Headings. The section and other headings in this Agreement are inserted solely as a matter of convenience and for reference, and are not a part of this Agreement.

11.8 Entire Agreement. All Schedules and Exhibits attached to this Agreement are by reference made a part hereof. This Agreement and the Exhibits, Schedules, certificates and other documents delivered pursuant hereto or incorporated herein by reference, contain and constitute the entire agreement among the parties and supersede and cancel any prior agreements, representations, warranties, or communications, whether oral or written, among the parties relating to the transactions contemplated by this Agreement. Neither this Agreement nor any provision hereof may be changed, discharged or terminated orally, but only by an agreement in writing signed by the party against whom or which the enforcement of such change, discharge or termination is sought.

11.9 Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without regard to any applicable conflicts of Laws. The provisions of this Agreement are severable and the invalidity of one or more of the provisions herein shall not have any effect upon the validity or enforceability of any other provision. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought exclusively in any court of competent jurisdiction in Jefferson County, Texas or the United States Federal Court for the Eastern District of Texas, Beaumont Division, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the full extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding that is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Each of the parties hereto agrees that, subject to rights with respect to post-trial motions and rights of appeal or other avenues of review, a final judgment in

any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

11.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event a signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party hereto executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof. Notwithstanding the foregoing, Seller, Owner, and GP shall deliver to purchaser within three (3) days of the Execution Date, original signatures to this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Purchaser, Seller and GP have caused this Amended and Restated Asset Purchase Agreement to be executed on their behalf as of the Execution Date first above written.

PURCHASER: **THE MEDICAL CENTER OF SOUTHEAST TEXAS, LP**
D/B/A THE MEDICAL CENTER OF SOUTHEAST TEXAS

By: IASIS Healthcare Holdings, Inc., General Partner

By: _____
Print Name: _____
Title: _____

SELLER: **VICTORY MEDICAL CENTER BEAUMONT, LP**

By: VICTORY MEDICAL CENTER BEAUMONT GP, LLC,
General Partner

By: _____
Print Name: _____
Title: _____

GP: **VICTORY MEDICAL CENTER BEAUMONT GP, LLC**

By: _____
Print Name: _____
Title: _____

IN WITNESS WHEREOF, Owner has caused this Amended and Restated Asset Purchase Agreement to be executed on its behalf as of the Execution Date first above written.

OWNER:

VICTORY PARENT COMPANY, LLC

By: _____
Print Name: _____
Title: _____

Schedule A

Other Limited Partners

<u>Name of Other Limited Partner</u>	<u>Physician Owner</u>	<u>Percentage Ownership</u>
Victory Parent Company, LLC	N/A	40%
Victory Medical Center Beaumont GP, LLC	N/A	0.80%
Southeast Texas ASC Partners, LLC 7001 Corporate Drive, Ste. 100 Houston, TX 77036	N/A	9.20%
Sjyel Ventures, LP 2965 Harrison, Ste. 111 Beaumont, TX 77702	Erwin Lo	4.80%
Silvex, LLC 12 Estates of Montclair Beaumont, TX 77706	Marco Silva	4.80%
Previty Surgical, PLLC 740 Hospital Dr., Ste. 280 Beaumont, TX 77701	Garrett Peel	4.80%
Nader Consultants, LLC 3070 College St., Ste. 100 Beaumont, TX 77701	Remi Nader	2.40%
Bratislav Velimirovic, M.D. 1031 W. Newport Ave., #3 Chicago, IL 60657	Bratislav Velimirovic	2.40%
Saxton Spine, LLC 5035 Oakmont Dr. Beaumont, TX 77706	Ian Angel	2.00%
William O'Mara, M.D. 5160 Littlechase St. Beaumont, TX 77706	William O'Mara	1.50%
Jeremy Roebuck, M.D. 6315 Ellington Ln. Beaumont, TX 77706	Jeremy Roebuck	1.50%

Sacadan Holdings, LLC 1420 Thomas Rd. Beaumont, TX 77706	C. Carey Jordan	1.50%
Elcho Ventures, Ltd. 1325 Audobon Pl. Beaumont, TX 77706	Ray Fontenot	1.50%
James Kirby, M.D. 1860 Thomas Rd. Beaumont, TX 77706	James Kirby	1.50%
Bear Partners, Ltd. 5770 Calder Ave. Beaumont, TX 77706	J. Mark Bruyn	1.50%
John Iceton, M.D. 4840 Littlewood Beaumont, TX 77706	John Iceton	1.40%
Stephen Hall, D.O. 3155 Lancaster Ln. Port Neches, TX 77651	Stephen Hall	1.00%
Stephen LaMendola, M.D. 940 Thomas Rd. Beaumont, TX 77706	Stephen LaMendola	1.00%
J. Coffy Pieternele, M.D. 5060 Shadow Lane Beaumont, TX 77706	J. Coffy Pieternele	0.90%
Ruben Victores, M.D. 2370 Wellington Place Beaumont, TX 77706	Ruben Victores	0.90%
Michael Oszczakiewicz, M.D. 5030 Littlewood Dr. Beaumont, TX 77706	Michael Oszczakiewicz	0.80%
VIP Victory Institute of Pain, PLLC 755 N. 11th St., Ste. P3600 Beaumont, TX 77702	Stephen Schange	0.80%
Brent Bost, M.D. 4770 Dunleith St. Beaumont, TX 77706	Brent Bost	0.60%
Kelly Rising, M.D. 1265 Thomas Rd. Beaumont, TX 77706	Kelly Rising	0.60%
Mark J. Kubala, M.D. 5235 Merlot Dr. Beaumont, TX 77706	Mark Kubala	0.60%

Deborah Sherman, M.D. 4690 Dunleith Beaumont, TX 77706	Deborah Sherman	0.30%
David Smith, M.D. 5120 Little Chase Beaumont, TX 77706	David Smith	0.30%
Sjyel Ventures, LP 2965 Harrison, Ste. 111 Beaumont, TX 77702	Sue Jin Yu	0.20%
Charles Clark, III, M.D. 268 Ridgeland St. Beaumont, TX 77706	Charles Clark	0.20%
Doyce Cartrett, Jr. 1117 FM 92 Silsbee, TX 77656	Doyce Cartrett, Jr.	2.00%
Nathan R. Marchand 1765 Howell Street Beaumont, TX 77706	Nathan R. Marchand	0.25%
Sidney Marchand IV 2400 Ashley Street Beaumont, TX 77702	Sidney A. Marchand IV	0.25%
George E. Thomas 1310 Audubon Pl. Beaumont, TX 77706	George E. Thomas	0.20%
Kenneth D. Wilgers 5790 Westlake Drive Vidor, TX 77662	Kenneth D. Wilgers	0.20%
Girish B. Kansara 5085 Oakmont Dr. Beaumont, TX 77706	Girish B. Kansara	0.20%
Maria Blahey, M.D. 6 Twin Circle Dr. Beaumont, TX 77706	Maria Blahey	0.20%
Santos M. Soberon 775 Norwood Beaumont, TX 77706	Santos M. Soberon	0.20%
John T. Fowler 211 Central Caldwell Beaumont, TX 77707	John T. Fowler	0.20%

Linda C. Smith, MD 383 Adams Drive Lumberton, TX 77657	Linda C. Smith	0.20%
Rogelio D. Mendoza, M.D. 11193 Wiggins Rd. Beaumont, TX 77705	Rogelio Mendoza	0.15%
Shama P. Quraishi, M.D. 5080 Oakmount Beaumont, TX 77706	Shama P. Quraishi	0.15%
Veluswamy Family Partners, LTD. 7505 Shadow Creek Dr. Beaumont, TX 77707	Rama Veluswamy	0.15%

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

IN RE:	§	Chapter 11
	§	
VICTORY MEDICAL CENTER	§	CASE NO. 15-42373-rfn-11
MID-CITIES, LP et. al.¹	§	
	§	
Debtors.	§	Jointly Administered

**ORDER AUTHORIZING VICTORY PARENT COMPANY TO EXECUTE ASSET
PURCHASE AGREEMENT RELATED TO THE SALE OF SUBSTANTIALLY ALL
THE ASSETS OF A NON-DEBTOR VICTORY MEDICAL CENTER BEAUMONT, LP,
TO THE MEDICAL CENTER OF SOUTHEAST TEXAS, LP**

[Relates to Doc. #_____]

Before the Court is Victory Parent Company's Emergency Motion (the "Motion") for Authority to Execute the Asset Purchase Agreement (the "APA") related to the sale of Victory Medical Center Beaumont, LP, a non-debtor, to The Medical Center of Southeast Texas, LP (the

¹ The Debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are Victory Medical Center Mid-Cities, LP (2023) and Victory Medical Center Mid-Cities GP, LLC (4580), Victory Medical Center Plano, LP (4334), Victory Medical Center Plano GP, LLC (3670), Victory Medical Center Craig Ranch, LP (9340), Victory Medical Center Craig Ranch GP, LLC (2223), Victory Medical Center Landmark, LP (9689), Victory Medical Center Landmark GP, LLC (9597), Victory Parent Company, LLC (3191) Victory Medical Center Southcross, LP (8427), and Victory Medical Center Southcross GP, LLC (3460) (collectively referred to herein as the "Debtors").

“Purchaser”). The Court finds that the relief requested in the Motion is reasonable and necessary and the relief is appropriate.

THE COURT HEREBY FINDS AND CONCLUDES THAT:

A. This Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This Court has authority to enter this Order as a final judgment, and further finds no party receiving notice of the Motion has objected to such authority.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

C. The statutory bases for the relief requested in the Motion are Sections 105(a), 363(b) of title 11 of the United States Code (the "**Bankruptcy Code**").

D. On June 12, 2015 Victory Medical Center Mid-Cities, LP (“Mid-Cities”), Victory Medical Center Mid-Cities GP, LLC (“Mid-Cities GP”), Victory Medical Center Craig Ranch, LP (“Craig Ranch”), Victory Medical Center Craig Ranch GP, LLC (“Craig Ranch GP”), Victory Medical Center Landmark, LP (“Landmark”), Victory Medical Center Landmark GP, LLC (“Landmark GP”), Victory Medical Center Plano, LP (“Plano”), Victory Medical Center Plano GP, LLC (“Plano GP”) and Victory Parent Company, LLC (“Victory Parent”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On July 10, 2015 Victory Medical Center Southcross, LP (“Southcross”) and Victory Medical Center Southcross GP, LLC (“Southcross GP”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

E. Time is of the essence. To maximize the value of the proposed sale, it is critical that the closing of the sale of to the Purchaser occur as soon as practicable. Given the circumstances, cause exists for waiver of the stay imposed by Bankruptcy Rules 6004(h) and 6006(d).

IT IS THEREFORE ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Any objections to the Motion that have not been withdrawn, waived or settled by stipulation filed with the Court or as announced to the Court at any hearing on the Motion are hereby overruled.
3. Victory Parent Company is hereby authorized and empowered to execute the APA and is authorized and empowered to take such actions and to deliver such documents and instruments as are necessary or appropriate to effectuate the sale.
4. Notwithstanding the terms of the APA, and by agreement of Victory Parent Company and the Purchaser pursuant to Section 7.1(c) of the proposed APA, any and all potential rights, claims and causes of actions, monetary damages, whenever incurred, that may arise from the rights, representations, warranties or indemnifications contained within the APA by or against Victory Parent Company (collectively, the "Indemnity Claims") are limited to the Escrow Fund (as that term is defined in the APA).
5. To the extent that any Indemnity Claim arises, the Purchaser may proceed directly against the Escrow Fund without the requirement of seeking relief from the automatic stay or filing notice of any such Indemnity Claim with the Bankruptcy Court.

###End of Order###

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