

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of May 10, 2016, is entered into by and between MHA, LLC, a New Jersey limited liability company ("Seller"), and NJMHMC LLC, a New Jersey limited liability company ("Buyer").

RECITALS

WHEREAS, Seller is engaged in the business (the "Business") of owning and operating Meadowlands Hospital Medical Center, an acute care hospital located at 55 Meadowlands Parkway, Secaucus, New Jersey 07094 (the "Facility" or "Hospital"); and

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets and certain liabilities of Seller used in the Business, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Allocation Schedule" has the meaning set forth in Section 2.6.

"Assigned Contracts" has the meaning set forth in Section 2.1(c).

"Assignment and Assumption Agreement" has the meaning set forth in Section 3.2(a)(ii).

"Assignment and Assumption of Lease" has the meaning set forth in Section 3.2(a)(iii).

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Benefit Plan" means each material benefit, retirement, employment, consulting, compensation, incentive, bonus, stock option, restricted stock, stock appreciation right, phantom equity, change in control, severance, vacation, paid time off, welfare and fringe-benefit

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agreement, plan, policy and program in effect and covering one or more Employees, former employees of the Business, current or former directors of the Business or the beneficiaries or dependents of any such Persons, and is maintained, sponsored, contributed to, or required to be contributed to by Seller, or under which Seller has any material liability for premiums or benefits.

"Bill of Sale" has the meaning set forth in Section 3.2(a)(i).

"Books and Records" has the meaning set forth in Section 2.1(i).

"Business" has the meaning set forth in the recitals.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Newark, NJ are authorized or required by Law to be closed for business.

"Buyer" has the meaning set forth in the preamble.

"Buyer Benefit Plans" has the meaning set forth in Section 6.2(b).

"Buyer Closing Certificate" has the meaning set forth in Section 7.3(d).

"Buyer Principal" means Yan Moshe.

"Cancer Center" means the cancer treatment center which is located in a portion of the Hospital which is leased by Seller to the Cancer Center Entity.

"Cancer Center Entity" means Meadowlands Cancer Center, LLC.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contracts" means all legally binding written contracts, leases, mortgages, licenses, instruments, notes, commitments, undertakings, indentures and other agreements.

"Direct Claim" has the meaning set forth in Section 8.5(c).

"Disclosure Schedules" means the Disclosure Schedules delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement and attached to this Agreement.

"Dollars or \$" means the lawful currency of the United States.

"Drop Dead Date" has the meaning set forth in Section 9.1(c)(i).

"Employees" means those Persons employed by Seller who worked for the Business immediately prior to the Closing.

"Encumbrance" means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance.

"Environmental Claim" means any Governmental Order, action, suit, claim, investigation or other legal proceeding by any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"Environmental Law" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"Environmental Permit" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"GAAP" means United States generally accepted accounting principles in effect from time to time.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political

subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Materials" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

"Hospital" means the acute care hospital known as Meadowlands Hospital Medical Center, located at 55 Meadowlands Parkway, Secaucus, New Jersey 07094, which is operated by Seller.

"Indemnified Party" has the meaning set forth in Section 8.4.

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"Intellectual Property" means any and all of the following in any jurisdiction throughout the world: (a) trademarks and service marks, including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (b) copyrights, including all applications and registrations, and works of authorship, whether or not copyrightable; (c) trade secrets and confidential know-how; (d) patents and patent applications; (e) websites and internet domain name registrations; and (f) all other intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing.

"Intellectual Property Agreements" means all licenses, sublicenses and other agreements by or through which other Persons grant Seller or Seller grants any other Persons any exclusive or non-exclusive rights or interests in or to any Intellectual Property that is used exclusively in connection with the Business.

"Intellectual Property Assets" means all Intellectual Property that is owned by Seller and exclusively used in connection with the Business.

"Intellectual Property Registrations" means all Intellectual Property Assets that are subject to any issuance, registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trademarks, domain names, and copyrights, issued and reissued patents and pending applications for any of the foregoing.

"Inventory" has the meaning set forth in Section 2.1(b).

"Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"Leased Real Property" means the real property located at 55 Meadowlands Parkway, Secaucus, New Jersey which is leased by Seller and used in connection with the Business.

"Losses" means actual out-of-pocket losses, damages, liabilities, costs or expenses, including reasonable attorneys' fees.

"Material Adverse Effect" means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of the Business, taken as a whole, or (b) the ability of Seller to consummate the transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Business operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; (vi) any matter of which Buyer is aware on the date hereof; (vii) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Seller and the Business; (ix) any natural or man-made disaster or acts of God; or (x) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

"Permits" means all permits, licenses, franchises, approvals, authorizations and consents required to be obtained from Governmental Authorities.

"Permitted Encumbrances" means (a) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (b) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business; (c) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property; (d) liens arising under conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; and (e) other imperfections of title or Encumbrances, if any, that have not had, and would not have, a Material Adverse Effect.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Purchase Price" has the meaning set forth in Section 2.5.



"Purchased Assets" has the meaning set forth in Section 2.1.

"Release" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"Seller" has the meaning set forth in the preamble.

"Seller Closing Certificate" has the meaning set forth in Section 7.2(c).

"Seller Principals" means Richard Lipsky M.D., Tamara Dunaev and Pavel Pogodin.

"Tangible Personal Property" has the meaning set forth in Section 2.1(e).

"Taxes" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Return" means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party Claim" has the meaning set forth in Section 8.5(a).

"Transaction Documents" means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, Deeds, Assignment and Assumption of Leases, the Note, the Security Interest and the other agreements, instruments and documents required to be delivered at the Closing.

"Transferred Employee" has the meaning set forth in Section 6.2(a).

ARTICLE II PURCHASE AND SALE

Section 2.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the Closing Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, subject to all Encumbrances, all of Seller's right, title and interest in, to and under Seller's assets, properties and rights used in the operation of the Business, except for the Excluded Assets, but including without limitation the following assets, properties and

rights of Seller, to the extent that such assets, properties and rights exist as of the Closing Date and are used in the operation of the Business (collectively, the "Purchased Assets");

(a) the Hospital (but not the Leased Real Property upon which the Hospital is located, which is leased by Seller pursuant to the Ground Lease);

(b) all inventory, packaging, supplies and other inventories of Seller used in the operation of the Business ("Inventory");

(c) all Contracts and Intellectual Property Agreements of Seller related to the Business, including, without limitation, the Leaseback Agreement between Seller, as the seller, and Rosdev Development, Inc., as the purchaser, dated December 24, 2012 (the "Sale/Leaseback Agreement") and the Ground Lease between MHR Investments LP ("Ground Lease Landlord"), as the landlord, and Seller, as the tenant, dated December 28, 2012 (the "Ground Lease") (collectively, the "Assigned Contracts");

(d) all Intellectual Property Assets related to the Business;

(e) all furniture, fixtures, equipment (subject to the assumption of leases), supplies and other tangible personal property of Seller used in the operation of the Business (the "Tangible Personal Property");

(f) Seller's leasehold interest in the Leased Real Property used in the operation of the Business;

(g) all Permits, including Environmental Permits, but only to the extent such Permits and Environmental Attributes may be transferred under applicable Law;

(h) Seller's Medicare and Medicaid provider agreements and provider numbers;

(i) originals, or where not available, copies, of all books and records, including books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, price lists, supplier lists, production data, quality control records and procedures, patient complaints and inquiry files, research and development files, records and data (including all correspondence with any Governmental Authority), strategic plans, marketing and promotional surveys, material and research, that relate exclusively to the Business or the Purchased Assets, other than books and records set forth in Section 2.2(g) ("Books and Records"); and

(j) all goodwill associated with any of the assets described in the foregoing clauses.

Section 2.2 Excluded Assets. Buyer expressly understands and agrees that, other than the Purchased Assets being purchased by the Buyer pursuant to Section 2.1, it is not purchasing or acquiring, and Seller is not selling or assigning, any other assets or properties of Seller, and all such other assets and properties shall be excluded from the Purchased Assets (the "Excluded

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Assets”). Excluded Assets include, without limitation, the following assets and properties of Seller:

- (a) all cash and cash equivalents, bank accounts, securities and security deposits (including those paid in connection with the Ground Lease and the Sale/Leaseback Agreement) of the Seller;
- (b) all accounts receivable and notes receivable of Seller as of the Closing, and all amounts due for services which have been provided by Seller prior to the Closing, both billed and unbilled (including, without limitation, amounts due from Medicaid and Medicare);
- (c) all rights to any action, suit, claim or cause of action of any nature (whether asserted or unasserted) available to or being pursued by Seller, whether arising by way of counterclaim or otherwise (including, without limitation, those asserted or that may be asserted in any pending litigation in which Seller is the plaintiff or defendant) which exist as of the Closing or relate to the conduct of the Business prior to the Closing;
- (d) Seller's ownership interest in the Cancer Center Entity;
- (e) all prepaid expenses, credits, advance payments, deposits, charges, sums and fees;
- (f) the condominium owned by Seller located at 421 Harmon Cove, Secaucus, New Jersey;
- (g) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller, all employee-related or employee benefit-related files or records, other than personnel files of Transferred Employees, and any other books and records which Seller is prohibited from disclosing or transferring to Buyer under applicable Law and is required by applicable Law to retain;
- (h) Seller's license issued by the NJDOH to operate a 30-bed rehabilitation facility;
- (i) all Tax assets (including duty and Tax refunds and prepayments) of Seller;
- (j) all insurance policies of Seller and all rights to applicable claims and proceeds thereunder;
- (k) all assets, properties and rights used by Seller in its businesses other than the Business;
- (l) the rights which accrue or will accrue to Seller under the Transaction Documents;
- (m) Seller's ownership interest in St. James - Columbus Med Realty, LLC; and

- (n) Seller's ownership interest in Elite Auto.

Section 2.3 Assumed Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations of Seller arising out of or relating to the Business or the Purchased Assets from and arise solely after the Closing, other than the Excluded Liabilities (collectively, the "Assumed Liabilities"), including, without limitation, the following:

(a) All liabilities and obligations arising under or relating to the Purchased Assets and the Assigned Contracts;

(b) all liabilities and obligations of Buyer relating to employee benefits, compensation or other arrangements with respect to any Transferred Employee arising on or after the Closing;

(c) all Accrued Employee Liabilities, pursuant to Section 2.5(b);

(d) all liabilities and obligations for (i) Taxes relating to the Business, the Purchased Assets or the Assumed Liabilities for any taxable period (or portion thereof) after the Closing Date and (ii) Taxes for which Buyer is liable pursuant to Section 6.9;

(e) all other liabilities and obligations arising out of or relating to Buyer's ownership or operation of the Business and the Purchased Assets on or after the Closing; and

(f) all liabilities and obligations of Seller under and relating to the Seller's Medicare and Medicaid provider agreements and provider numbers being sold to Buyer hereunder.

Section 2.4 Excluded Liabilities. Except for the Assumed Liabilities and the Permitted Encumbrances, Buyer shall not assume and shall not be responsible to pay, perform or discharge any of the following liabilities or obligations of Seller (collectively, the "Excluded Liabilities"):

(a) any other liabilities or obligations arising out of or relating to Seller's ownership or operation of the Business and the Purchased Assets prior to the Closing Date;

(b) any liabilities or obligations relating to or arising out of the Excluded Assets;

(c) any liabilities or obligations for (i) Taxes relating to the Business, the Purchased Assets or the Assumed Liabilities for any taxable period (or portion thereof) prior to the Closing Date and (ii) any other Taxes of Seller (other than Taxes allocated to Buyer under Section 6.11) for any taxable period;

(d) except as specifically provided in Section 6.2, any liabilities or obligations of Seller relating to or arising out of (i) the employment, or termination of employment, of any Employee prior to the Closing, or (ii) workers' compensation claims of any Employee which relate to events occurring prior to the Closing Date; and

(e) any liabilities or obligations of Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others.

Section 2.5 Purchase Price.

(a) The aggregate purchase price for the Purchased Assets shall be Twelve Million Two Hundred Thousand Dollars (\$12,200,000) (the "Purchase Price"), plus the assumption of the Assumed Liabilities. The Purchase Price shall be paid by Buyer, by wire transfer of immediately available funds to an account designated in writing by Seller to Buyer, as follows.

(i) One Million Dollars (\$1,000,000) (the "Deposit") shall be due and payable by Buyer to Seller immediately upon execution and delivery of this Agreement by Buyer and Seller, which Deposit shall be non-refundable, except as otherwise provided in Section 9.2(c) hereof;

(ii) Four Million Dollars (\$4,000,000) (the "Closing Payment") shall be due and payable by Buyer to Seller at Closing, subject to adjustment pursuant to Section 2.5(b); and

(iii) Seven Million Two-Hundred Thousand Dollars (\$7,200,000) shall be paid by Buyer to Seller by delivery at Closing of a promissory note of Buyer payable to Seller, in form and substance reasonably satisfactory to Seller and Purchaser (the "Note"), in the original principal amount of Seven Million Two-Hundred Thousand Dollars (\$7,200,000), the unpaid principal amount of which shall bear interest at the applicable federal rate for mid-term obligations as of the date of the Note, as announced by the Internal Revenue Service, for the period from the date of the Note until the principal balance is paid in full. Such Note shall be payable in seventy-two (72) equal consecutive installments of principal and interest and paid automatically via Automated Clearing House (ACH), commencing on the first day of the tenth month following the Closing Date and continuing on the first day of each month thereafter.

(b) At Closing, Seller shall deliver to Buyer a calculation setting forth in detail the accrued liabilities of the Seller as of the Closing in respect of employee-related costs and benefits, including unpaid wages, accrued but unused vacation and personal time and sick days ("Accrued Employee Liabilities") and (i) the amount of such Accrued Employee Liabilities shall be deducted from the Closing Payment otherwise payable pursuant to Section 2.5(a)(ii), and (ii) notwithstanding anything to the contrary contained in this Agreement, Buyer agrees to assume, pay, perform and discharge when due such Accrued Employee Liabilities.

(c) At Closing, all real estate taxes, municipal water and sewer charges, utility charges, fuel oil, prepaid expenses, an amount equal to the Security Deposit on the Leased Real Property assigned to the Buyer under the Assignment and Assumption of Lease, and other charges typically adjusted between a buyer and a seller at a commercial closing in New Jersey will be adjusted between the Buyer and the Seller as of the Closing Date, and an adjustment therefor shall be made to the Closing Payment otherwise payable pursuant to Section 2.5(a)(ii).

(d) At Closing, as collateral security for the prompt and complete payment of the Note, Buyer shall grant to Seller a first priority security interest in and to any and all of Seller's assets, real or personal (including, but not limited to, any and all revenues or monies which Buyer is entitled to receive, now or in the future), wherever located, together with all replacements, substitutions, renewals and the proceeds and products thereof, to the extent permitted by applicable law (the "Security Interest"). Seller agrees to subordinate its Security Interest to the security interest of any lender to the Buyer (for purposes of this paragraph the term "Buyer" shall also include any entity in which Yan Moshe holds any ownership interest therein) in respect of a loan made by such lender to fund the purchase by the Buyer of the real property upon which the Hospital is located.

Section 2.6 Allocation of Purchase Price. Within thirty (30) days after the Closing Date, Seller shall deliver to Buyer a schedule allocating the Purchase Price (including any Assumed Liabilities treated as consideration for the Purchased Assets for Tax purposes) (the "Allocation Schedule"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Code. The Allocation Schedule shall be deemed final unless Buyer notifies Seller in writing that Buyer objects to one or more items reflected in the Allocation Schedule within five (5) days after delivery of the Allocation Schedule to Buyer. In the event of any such objection, Seller and Buyer shall negotiate in good faith to resolve such dispute; provided, however, that if Seller and Buyer are unable to resolve any dispute with respect to the Allocation Schedule within fifteen (15) days after the delivery of the Allocation Schedule to Buyer, such dispute shall be resolved by a nationally recognized firm of independent certified public accountants mutually appointed by Buyer and Seller. The fees and expenses of such accounting firm shall be borne equally by Seller and Buyer. Seller and Buyer agree to file their respective IRS Forms 8594 and all federal, state and local Tax Returns in accordance with the Allocation Schedule.

Section 2.7 Non-assignable Assets.

(a) Notwithstanding anything to the contrary in this Agreement, and subject to the provisions of this Section 2.7, to the extent that the sale, assignment, transfer, conveyance or delivery, or attempted sale, assignment, transfer, conveyance or delivery, to Buyer of any Purchased Asset would result in a violation of applicable Law, or would require the consent, authorization, approval or waiver of a Person who is not a party to this Agreement or an Affiliate of a party to this Agreement (including any Governmental Authority), and such consent, authorization, approval or waiver shall not have been obtained prior to the Closing, this Agreement shall not constitute a sale, assignment, transfer, conveyance or delivery, or an attempted sale, assignment, transfer, conveyance or delivery, thereof; *provided, however*, that, subject to the satisfaction of the conditions to Closing set forth in Section 7.1(b) and Section 7.3(g), the Closing shall occur notwithstanding the foregoing without any adjustment to the Purchase Price on account thereof. Following the Closing, Seller and Buyer shall use commercially reasonable efforts, and shall cooperate with each other, to obtain any such required consent, authorization, approval or waiver, or any release, substitution or amendment required to novate all liabilities and obligations under any and all Assigned Contracts or other liabilities that constitute Assumed Liabilities or to obtain in writing the unconditional release of all parties to such arrangements, so that, in any case, Buyer shall be solely responsible for such liabilities and obligations from and after the Closing Date; *provided, however*, that neither Seller nor Buyer shall be required to pay any consideration therefor. Once such consent, authorization, approval,

waiver, release, substitution or amendment is obtained, Seller shall sell, assign, transfer, convey and deliver to Buyer the relevant Purchased Asset to which such consent, authorization, approval, waiver, release, substitution or amendment relates for no additional consideration. Applicable sales, transfer and other similar Taxes in connection with such sale, assignment, transfer, conveyance or license shall be paid by Buyer in accordance with Section 6.9.

(b) To the extent that any Purchased Asset and/or Assumed Liability cannot be transferred to Buyer following the Closing pursuant to this Section 2.7, Buyer and Seller shall use commercially reasonable efforts to enter into such arrangements (such as subleasing, sublicensing or subcontracting) to provide to the parties the economic and, to the extent permitted under applicable Law, operational equivalent of the transfer of such Purchased Asset and/or Assumed Liability to Buyer as of the Closing and the performance by Buyer of its obligations with respect thereto. Buyer shall, as agent or subcontractor for Seller pay, perform and discharge fully the liabilities and obligations of Seller thereunder from and after the Closing Date. To the extent permitted under applicable Law, Seller shall, at Buyer's expense, hold in trust for and pay to Buyer promptly upon receipt thereof, such Purchased Asset and all income, proceeds and other monies received by Seller to the extent related to such Purchased Asset in connection with the arrangements under this Section 2.7. Seller shall be permitted to set off against such amounts all direct costs associated with the retention and maintenance of such Purchased Assets.

ARTICLE III CLOSING

Section 3.1 Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Chiesa Shahnian and Giamtomas PC, One Boland Drive, West Orange, NJ 07052, at 10:00 a.m. on the tenth day after all of the conditions to Closing set forth in Article VII are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), or at such other time, date or place as Seller and Buyer may mutually agree upon in writing. The date on which the Closing is to occur is herein referred to as the "Closing Date".

Section 3.2 Closing Deliverables.

- (a) At the Closing, Seller shall deliver to Buyer the following:
- (i) a bill of sale in the form of Exhibit A hereto (the "Bill of Sale") and duly executed by Seller, transferring the tangible personal property included in the Purchased Assets to Buyer;
 - (ii) an assignment and assumption agreement in the form of Exhibit B hereto (the "Assignment and Assumption Agreement") and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;
 - (iii) with respect to each Lease relating to Leased Real Property, an Assignment and Assumption of Lease substantially in the form of Exhibit C (each, an

"Assignment and Assumption of Lease"), duly executed by Seller and, if necessary, Seller's signature shall be witnessed and/or notarized;

- (iv) the Seller Closing Certificate;
- (v) the certificates of the manager or members of Seller required by Section 7.2(e) and Section 7.2(f); and
- (vi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

- (b) At the Closing, Buyer shall deliver to Seller the following:
 - (i) the Closing Payment;
 - (ii) the Note and the Security Interest;
 - (iii) the Assignment and Assumption Agreement duly executed by Buyer;
 - (iv) with respect to each Lease relating to Leased Real Property, an Assignment and Assumption of Lease duly executed by Buyer;
 - (v) the Buyer Closing Certificate; and
 - (vi) the certificates of the members of Buyer required by Section 7.3(e) and Section 7.3(f).

ARTICLE IV NO REPRESENTATIONS AND WARRANTIES OF SELLER

Neither Seller nor any other Person has made or makes any express or implied representation or warranty, either written or oral, on behalf of Seller, including any representation or warranty as to the accuracy or completeness of any information regarding the Business, the Purchased Assets and the Assumed Liabilities furnished or made available to Buyer and its Representatives (including any information, management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of the Business, or condition or suitability of the Purchased Assets or any representation or warranty arising from statute or otherwise in law.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article V are true and correct as of the date hereof.

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Section 5.1 Organization and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of New Jersey.

Section 5.2 Authority of Buyer. Buyer has all limited liability company power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). When each other Transaction Document to which Buyer is or will be a party has been duly executed and delivered by Buyer (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.3 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the certificate of formation or operating agreement of Buyer; (b) result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Buyer is a party, except in the cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, except for such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby and thereby.

Section 5.4 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 or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

Section 5.5 Sufficiency of Funds. Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement and the Buyer Principal has a net worth not less than the greater of (i) the liquid net worth of each Seller Principal who has executed the Seller Principals Guaranty, guarantying the Seller's obligations under the Ground Lease, or (ii) \$10,000,000, but with a cap of \$15,000,000 per Buyer Principal.

Section 5.6 Solvency. Immediately after giving effect to the transactions contemplated hereby, Buyer shall be solvent and shall: (a) be able to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors of Buyer or Seller. In connection with the transactions contemplated hereby, Buyer has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

Section 5.7 "As-Is, Where-Is"; Independent Investigation. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied upon its own analysis of the transaction contemplated by this Agreement; (b) the Purchased Assets and Assumed Liabilities are being assigned and sold "As-Is, Where-Is" and Seller makes no representations or warranties with respect to the Purchased Assets, the Assumed Liabilities, the Facility or its operations, Seller or its Business, and (c) Buyer shall not assert, and Seller shall have no liability with respect to, any claim that Seller failed to disclose to Buyer any information regarding the Purchased Assets, the Assumed Liabilities, the Facility or its operations, Seller or its Business.

ARTICLE VI COVENANTS

Section 6.1 Governmental Approvals and Consents.

(a) Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities, as required by law to be obtained by such party, that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the other Transaction Documents. Each party shall cooperate fully with the other party in such other party's efforts to promptly seek to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not knowingly and willingly take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

Section 6.2 Employees and Employee Benefits.

(a) Buyer shall offer employment effective on the Closing Date, to all Employees, including Employees who are absent due to vacation, family leave, short-term disability or other approved leave of absence (the Employees who accept such employment and

commence employment on the Closing Date, the "Transferred Employees") at (i) base salary or hourly wages which are no less than the base salary or hourly wages provided by Seller immediately prior to the Closing; (ii) target bonus opportunities, if any, which are no less than the target bonus opportunities provided by Seller immediately prior to the Closing; (iii) retirement and welfare benefits that are no less favorable in the aggregate than those provided by Seller immediately prior to the Closing; and (iv) severance benefits that are no less favorable than the practice, plan or policy in effect for such Transferred Employee immediately prior to the Closing.

(b) With respect to any employee benefit plan maintained by Buyer (collectively, "Buyer Benefit Plans") for the benefit of any Transferred Employee, effective as of the Closing, Buyer shall, or shall cause its Affiliate to, recognize all service of the Transferred Employees with Seller, as if such service were with Buyer, for vesting, eligibility and accrual purposes; *provided, however*, such service shall not be recognized to the extent that (x) such recognition would result in a duplication of benefits or (y) such service was not recognized under the corresponding Benefit Plan.

(c) Effective as of the Closing, the Transferred Employees shall cease active participation in the Benefit Plans. Seller shall remain liable for all known or unknown valid eligible claims (as approved by the duly appointed third party administrator of such Benefit Plans) for benefits under the Benefit Plans that are incurred by the Employees prior to the Closing Date. For purposes of this Agreement, the following claims shall be deemed to be incurred as follows: (i) life, accidental death and dismemberment, short-term disability, and workers' compensation insurance benefits, on the event giving rise to such benefits; (ii) medical, vision, dental, and prescription drug benefits, on the date the applicable services, materials or supplies were provided; and (iii) long-term disability benefits, on the eligibility date determined by the long-term disability insurance carrier for the plan in which the applicable Employee participates.

(d) Buyer and Seller intend that the transactions contemplated by this Agreement should not constitute a separation, termination or severance of employment of any Employee who accepts an employment offer by Buyer that is consistent with the requirements of Section 6.2(a), including for purposes of any Benefit Plan that provides for separation, termination or severance benefits, and that each such Employee will have continuous employment immediately before and immediately after the Closing. Buyer shall be liable and hold the Seller harmless for: (i) any statutory, common law, contractual or other severance with respect to any Employee, other than an Employee who has received an offer of employment by Buyer on terms and conditions consistent with Section 6.2(a) hereof and declines such offer; and (ii) any claims relating to the employment of any Transferred Employee arising in connection with or following the Closing.

(e) Notwithstanding the foregoing, Buyer shall have the right to terminate any Transferred Employee during the ninety (90) day probationary period following the Transferred Employee's commencement of employment with Buyer, unless to do so would violate any contract or Law.

(f) This Section shall be binding upon and inure solely to the benefit of each of the parties to this Agreement, and nothing in this Section 6.2, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 6.2. Nothing contained herein, express or implied, shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement. The parties hereto acknowledge and agree that the terms set forth in this Section 6.2 shall not create any right in any Transferred Employee or any other Person to any continued employment with Buyer or any of its Affiliates or compensation or benefits of any nature or kind whatsoever.

Section 6.3 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of seven (7) years after the Closing, Buyer shall:

(i) retain the Books and Records (including personnel files) relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of Seller; and

(ii) upon reasonable notice, afford the Seller's Representatives reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such Books and Records.

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer after the Closing, or for any other reasonable purpose, for a period of seven (7) years after the Closing, Seller shall:

(i) retain the books and records (including personnel files) of Seller which relate to the Business and its operations for periods prior to the Closing; and

(ii) upon reasonable notice, afford the Buyer's Representatives reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours, to such books and records.

(c) Buyer shall afford Seller the right of immediate and continuing access to the Hospital's billing system, billing records and patient medical records for the purpose of reconciling Seller's accounts receivable and payments received.

(d) Neither Buyer nor Seller shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this Section 6.3 where such access would violate any Law.

Section 6.4 Compliance with Department of Health Letter. From and after the Closing, Buyer shall comply with all conditions to the approval by the New Jersey Department of Health ("NJDOH") of Seller's Certificate of Need application and the transfer of ownership of the Hospital to Seller as are set forth in the letter from the NJDOH to Seller dated November 1, 2010 attached hereto as Exhibit D, and Buyer shall comply with such other conditions as may be

imposed by NJDOH in connection with Buyer's application for a Certificate of Need and the transfer of ownership of the Hospital from Seller to Buyer as contemplated by this Agreement.

Section 6.5 Medical Records Custody Agreement. Buyer shall, from and after the Closing, maintain custody of all patient medical records of the Hospital (including, without limitation, those arising before the Closing) and shall enter into at Closing a Medical Records Custody Agreement between Buyer and Seller in the form attached hereto as Exhibit E.

Section 6.6 Closing Conditions. From the date hereof until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VII hereof.

Section 6.7 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

Section 6.8 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer.

Section 6.9 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by Buyer when due. Buyer shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Seller shall cooperate with respect thereto as necessary).

Section 6.10 Confidentiality. Buyer covenants and agrees to keep confidential and not disclose or use for any purpose other than the evaluation of the transaction contemplated by this Agreement, all information provided to Buyer relating to the Seller, the Facility and the Business. If this Agreement is, for any reason, terminated prior to Closing, the terms of this Section 6.10 shall nonetheless continue in full force and effect.

Section 6.11 Access to Information/Personnel and Transition Assistance. From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, (i) Seller shall provide Buyer with the right to identify and take an inventory of the assets of Seller and inspect the Contracts, and (ii) shall make available to Buyer the Seller Principals to answer any questions Buyer may have with respect to the assets and operation of the Facility and Business.

Section 6.12 Medicare and Medicaid. Seller shall take such actions as are required for Seller to be in compliance with all Medicare and Medicaid requirements applicable to Seller, and shall cooperate with Buyer in connection with Buyer's application to the Centers for Medicare & Medicaid Services for the approval of the transfer of the Medicare and Medicaid provider agreements from Seller to Buyer as contemplated by this Agreement.

Section 6.13 Conduct of Business Prior to Closing. From the date hereof until the earlier of the Closing or the termination of this Agreement, Seller shall continue to conduct the Business in the ordinary course consistent with past practice, and use reasonable best efforts to maintain and preserve intact its current Business organization and operations and material assets and shall specifically refrain from removing any of Seller's material assets from the Facility.

Section 6.14 Contractual Payment Obligations; Payment of Excluded Liabilities.

(a) From the date hereof until the earlier of the Closing or the termination of this Agreement, Seller shall pay when due and otherwise remain current on all payment obligations of Seller under its Contracts.

(b) If after Closing Buyer receives a bill for any amount which relates to an Excluded Liability for which Seller remains liable, Buyer shall forward the bill to Seller within three (3) days after Buyer's receipt of such bill. Seller shall have a period of thirty (30) days after its receipt of the bill to review the bill to verify its accuracy and validity. If Seller disputes the legitimacy or validity of the bill, or otherwise believes it does not constitute an Excluded Liability for which the Seller is liable, Seller shall within thirty (30) days of its receipt of the bill from the Buyer (the "Response Time") deliver a written notice to the Buyer indicating Seller's objection to the bill and the basis for such objection (an "Objection Notice"). If Seller does not deliver an Objection Notice within the Response Time, Buyer shall be permitted to pay such bill on Seller's behalf and setoff the amount so paid against the payments due from Buyer under the Note. If Seller delivers an Objection Notice within the Response Time, but Buyer nonetheless pays the bill, Buyer shall not be permitted to setoff the amount paid against the payments that would otherwise be due from Buyer under the Note, however, Buyer shall be free to assert a claim for indemnification for such amount in accordance with Section 8.2.

Section 6.15 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

ARTICLE VII CONDITIONS TO CLOSING

Section 7.1 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) Buyer and Seller shall have obtained all consents, authorizations, orders and approvals from all Governmental Authorities, as required by law to be obtained by them that may be or become necessary for their execution and delivery of this Agreement and the performance of their obligations pursuant to this Agreement and the other Transaction Documents, including but not limited to the approval by NJDOH of Buyer's Certificate of Need application and approval of the transfer of the Hospital by Seller to Buyer.

Section 7.2 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

(b) Seller shall have delivered to Buyer duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in Section 3.2(a).

(c) Buyer shall have received a certificate, dated the Closing Date and signed by the manager of Seller, that each of the conditions set forth in Section 7.2(a) and Section 7.2(b) have been satisfied (the "Seller Closing Certificate").

(d) Buyer shall have received a certificate of the manager of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the manager and members of Seller authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(e) Buyer shall have received a certificate of the manager of Seller certifying the names and signatures of the manager or other Persons authorized to execute on behalf of Seller the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(f) Buyer shall have received evidence of the consent of the Ground Lease Landlord to the assignment of the Ground Lease by Seller to Buyer.

(g) Ground Lease Landlord shall have given its approval of Buyer Principal as an acceptable replacement guarantor (replacing the Seller Principals as guarantor) of the Buyer's obligations (as assignee of the Seller) under the Ground Lease.

Section 7.3 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Buyer contained in Article V shall be true and correct in all respects as of the Closing Date with the same effect as though made at

and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have an adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

(c) Buyer shall have delivered to Seller the Purchase Price, duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in Section 3.2(b).

(d) Seller shall have received a certificate, dated the Closing Date and signed by the members of Buyer, that each of the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied (the "Buyer Closing Certificate").

(e) Seller shall have received a certificate of the members of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the members of Buyer authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(f) Seller shall have received a certificate of the members of Buyer certifying the names and signatures of the members or other Persons authorized to execute on behalf of Buyer this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(g) Seller shall have received from Buyer evidence that (i) Buyer and the Buyer Principal have satisfied the net worth requirements set forth in the Ground Lease to permit the release of the Seller Principals from their obligations under the guaranty in favor of the Ground Lease Landlord (the "Seller Principals Guaranty") with respect to the obligations of Seller under the Ground Lease, (ii) Buyer Principal shall have executed and delivered to the Ground Lease Landlord a guaranty of the obligations of Buyer (as successor in interest to Seller) under the Ground Lease, (iii) Buyer shall have obtained the consent of Ground Lease Landlord to the assignment of the Ground Lease by Seller to Buyer and the consent of Rosdev Development Inc. to the assignment of the Sale/Leaseback Agreement by Seller to Buyer, and (iv) Ground Lease Landlord shall have executed and delivered to Seller Principals a release, in form and substance reasonably satisfactory to the Seller principals, releasing them from any and all liability under the Seller Principals Guaranty.

(h) If Buyer still owns an equity interest in Cancer Center Entity at the time of the Closing, Buyer and Cancer Center Entity shall have entered into a lease, on terms and conditions acceptable to Buyer and Cancer Center Entity in their sole discretion.

ARTICLE VIII INDEMNIFICATION

Section 8.1 Survival of Representations and Warranties. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 1 year from the Closing Date. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the party seeking indemnification based upon a breach of representations and warranties prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

Section 8.2 Indemnification By Seller. Subject to the other terms and conditions of this Article VIII, Seller shall indemnify Buyer against, and shall hold Buyer harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Buyer arising out of, with respect to or by reason of:

- (a) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;
- (b) any Excluded Asset or any Excluded Liability;
- (c) the operation of the Facility and conduct of the Business by Seller prior to the Closing, including employee obligations; and
- (d) Seller's obligations prior to the Closing under the Ground Lease.

Notwithstanding anything to the contrary contained herein, Seller shall have no obligation under this Section 8.2 to indemnify Buyer against Losses arising out of or relating to (i) any structural defect or damage to the Facility, (ii) any Assumed Liability or Permitted Encumbrance, or (iii) the environmental condition of the real property upon which the Facility is located, including without limitation, any contamination of such real property by Hazardous Materials or Losses relating to a violation of Environmental Laws, unless such environmental condition or contamination was caused by Seller in the course of its operation of the Business prior to Closing. Notwithstanding anything to the contrary contained herein, the indemnification liability of Seller under this Section 8.2 shall not exceed, in the aggregate, the Purchase Price.

Section 8.3 Indemnification By Buyer. Subject to the other terms and conditions of this Article VIII, Buyer shall indemnify Seller against, and shall hold Seller harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Seller based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement; or

- (c) any Assumed Liability.

Section 8.4 Certain Limitations. The party making a claim under this Article VIII is referred to as the "Indemnified Party", and the party against whom such claims are asserted under this Article VIII is referred to as the "Indemnifying Party". The indemnification provided for in Section 8.2 and Section 8.3 shall be subject to the following limitations:

(a) Payments by an Indemnifying Party pursuant to Section 8.2 or Section 8.3 in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(b) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(c) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

Section 8.5 Indemnification Procedures.

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "Third Party Claim") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 8.5(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party

shall have the right, at its own cost and expense, to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to Section 8.5(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 8.5(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 8.5(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) Direct Claims. Any claim by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have seven (7) days after its receipt of such notice to respond in writing to such Direct Claim. During such seven (7) day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right

to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such seven (7) day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(d) Notwithstanding anything to the contrary in this Section 8.5, if a Third Party Claim relating to the Facility (i) is subject to indemnification by Seller and (ii) is the basis for a lien on the Facility and such lien is impeding the Buyer's ability to consummate financing of the Facility, in that event Seller shall in good faith attempt to expeditiously resolve the Third Party Claim so as to enable Buyer to consummate its financing. If the Seller, after making such good faith attempts to expeditiously resolve such Third Party Claims shall be unable to do so, then Buyer retains the right to demand from the Seller to take such additional steps which may be required to remove such liens or other encumbrances which continue to impede such financing by Buyer. Neither Buyer nor Seller waive any of their respective rights to contest the subject lien in any forum of competent jurisdiction.

Section 8.6 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 8.7 Exclusive Remedies. Subject to Section 10.11, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Article VIII. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article VIII. Nothing in this Section 8.7 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 10.11 or to seek any remedy on account of any fraud by any party hereto.

Section 8.8 Medicare and Medicaid Adjustments.

(a) Buyer and Seller acknowledge and agree that (i) all reimbursements from Medicare or Medicaid ("Reimbursements") and all charges, settlements or setoffs applied by Medicare or Medicaid ("Charges") in respect of services ("Services") rendered by Seller to patients of the Hospital prior to the Closing, as reflected on the cost reports submitted by Seller to Medicare or Medicaid and as identified on a schedule to be delivered by Seller at Closing, shall be for the account of Seller, and (ii) all Reimbursements and Charges in respect of Services rendered by Buyer to patients of the Hospital after the Closing shall be for the account of Buyer.

(b) Upon receipt by either party (the "Receiving Party") of a Reimbursement which is not for its account pursuant to Section 8.8(a), the Receiving Party shall remit such Reimbursement to the other party within seven (7) days of the Receiving Party's receipt of such Reimbursement, together with such documentation sufficient to identify the Services to which such Reimbursement relates.

(c) Upon the imposition of Charges against either party (the "Charged Party"), which Charges are not for the account of the Charged Party pursuant to Section 8.8(a), the Charged Party shall send written notice to the other party (the "Reimbursing Party") requesting reimbursement for the Charges imposed (a "Request for Reimbursement"), together with a copy of the correspondence provided by Medicare or Medicaid which accompanied and relates to the impositions of the Charges, and such other documentation sufficient to identify the Services to which such Charges relate. The Reimbursing Party shall, within seven (7) days of its receipt of the Request for Reimbursement, reimburse the Charged Party for those Charges set forth in the Request for Reimbursement which are properly for the account of the Reimbursing Party pursuant to Section 8.8(a).

(d) Seller shall be entitled to all Meaningful Use Payments to which Seller or the Facility is or may become entitled pursuant to the Medicare and Medicaid EHR Incentive Program ("EHR Payments") and Buyer shall, within seven (7) days of its receipt, remit to Seller any EHR Payments received by Buyer.

ARTICLE IX TERMINATION

Section 9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by Buyer or Seller, by written notice to the other party, in the event that:
 - (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or
 - (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable;
- (c) By Buyer, by written notice to Seller, if:
 - (i) Buyer is not then in material breach of any provision of this Agreement and there has been a material breach or failure to perform any covenant or agreement made by Seller pursuant to this Agreement that would give rise to a failure of any of the conditions specified in Article VII and such breach or failure cannot be cured by Seller by the date fifteen months after the date of this Agreement (the "Drop Dead Date"); or

(ii) Any of the conditions set forth in Section 7.2 shall not have been fulfilled by the Drop Dead Date, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to Closing;

(d) By Seller, by written notice to Buyer, if:

(i) Seller is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to a failure of any of the conditions specified in Article VII and such breach, inaccuracy or failure cannot be cured by Buyer by the Drop Dead Date;

(ii) Any of the conditions set forth in Section 7.3 shall not have been fulfilled by the Drop Dead Date, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to Closing; or

(iii) Buyer shall have not obtained by the Drop Dead Date all the consents and Government Approvals required to be obtained by Buyer pursuant to Section 6.1(a) hereof.

Section 9.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article IX and Article X hereof;

(b) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof, limited to the amount of the Deposit if and in the event of an intentional breach of this Agreement by Buyer; and

(c) if this Agreement is terminated, Seller shall be entitled to retain the Deposit; provided however:

(i) Buyer shall be entitled to the return of, and Seller shall return to Buyer, one-half of the Deposit if at the time of such termination Buyer is not in breach of its obligations under Section 6.1(a) and has made diligent efforts to obtain all consents, authorization, order and approvals from all Governmental Authorities, as may be required by law to be obtained by Buyer, necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the other Transaction Documents; and

(ii) Buyer shall be entitled to the return of, and Seller shall return to Buyer, the full amount of the Deposit if this Agreement is terminated by Buyer pursuant to Section 9.1(c)(i) due to Seller's material breach or failure to perform any covenant or agreement made by Seller pursuant to this Agreement.

**ARTICLE X
MISCELLANEOUS**

Section 10.1 **Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors, consultants and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred. Specifically, but not by way of limitation, if Buyer and Seller shall each utilize the services of the same advisors, accountants or consultants, Seller shall be responsible only for services authorized by it.

Section 10.2 **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.2):

If to Seller:

MHA, LLC

if before Closing:

MHA, LLC

55 Meadowlands Parkway
Secaucus, New Jersey 07094

Facsimile: _____

E-mail: rlipskynd@gmail.com

Attention: Richard Lipsky, M.D.

if after Closing:

MHA, LLC

Facsimile: _____

E-mail: rlipskynd@gmail.com

Attention: Richard Lipsky, M.D.

with a copy to:

Chiesa Shahinian & Giantomasi PC

One Boland Drive

West Orange, New Jersey 07052

Facsimile: (973) 530-230

E-mail: rpearlson@csglaw.com

Attention: A. Ross Pearlson, Esq.

If to Buyer:

NJMHMC LLC
YAN Moshe

Facsimile:

E-mail: YANmoshe@yahoo.com

Attention:

with a copy to:

Russell Friedman & Associates, LLP
3000 Marcus Avenue, Suite 2E03
Lake Success, New York 11042
Facsimile: (516) 335-9621
E-mail: rfriedman@friedmanlaw.com
Attention: Russell C. Friedman, Esq.

Section 10.3 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Schedules and Exhibits mean the Articles and Sections of, and Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 10.4 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 10.5 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 10.6 Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Schedules (other

than an exception expressly set forth as such in the Schedules), the statements in the body of this Agreement will control.

Section 10.7 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 10.8 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 10.9 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 10.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New Jersey, without giving effect to any choice or conflict of law provision or rule.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF NEW JERSEY IN EACH CASE LOCATED IN THE CITY OF NEWARK AND COUNTY OF ESSEX, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH

SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.10(c).

Section 10.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
as of the date first written above by their respective officers thereunto duly authorized.

MHA, LLC

By: 
Name: Richard Lipkin
Title: Chairman of the Board

NMHC LLC

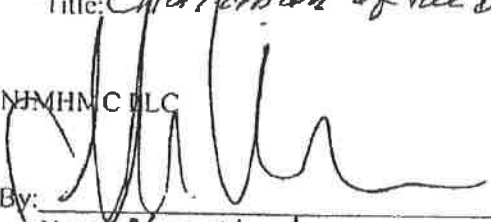
By: 
Name: Yan Moshe
Title: Member

EXHIBIT A

Bill of Sale

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS THAT, MHA, LLC, a New Jersey limited liability company ("Seller"), for and in consideration of the sum of [_____] and other good and valuable consideration to it in hand paid by NJMHMC LLC, a New Jersey limited liability company ("Buyer"), the receipt and sufficiency of which are hereby acknowledged, has sold, assigned, transferred and conveyed, and does by these presents, sell, assign, transfer and convey unto the Buyer, any and all of Seller's right, title, and interest, in and to the Purchased Assets (as such term is defined in that certain Asset Purchase Agreement, dated as of [_____] 2016 ("APA"), by and between Seller and Buyer), AS IS, WHERE IS, except as otherwise set forth in the APA and therefore subject to the terms, conditions, covenants, representations and warranties set forth in the APA. Seller hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to Buyer, its nominees, successors and/or assigns, any new or confirmatory instruments which Buyer, its nominees, successors and/or assigns, may reasonably request in order to assign and transfer to Buyer any and all of its rights, title and interest in and to, the Purchased Assets, and otherwise to carry out the purpose and intent of the APA, without further consideration.

TO HAVE AND TO HOLD all of said Purchased Assets unto Buyer, its successors and assigns, to its own proper use and benefit forever.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed and delivered this instrument effective as of _____, 2016.

MHA, LLC

By: _____
Name:
Title:

EXHIBIT B

Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment and Assumption Agreement") is dated as of May 10, 2016, by and between MHA, LLC, a New Jersey limited liability company ("Assignor"), and NJMHMC LLC, a New Jersey limited liability company ("Assignee").

WITNESSETH:

WHEREAS, pursuant to that certain Asset Purchase Agreement dated as of _____, 2016 (the "Asset Purchase Agreement"), by and among the Assignor and the Assignee, Assignor has agreed to sell, transfer, convey, assign and deliver to Assignee, the Purchased Assets (as defined in the Asset Purchase Agreement); and

WHEREAS, the Asset Purchase Agreement requires that Assignee assume as of the date hereof and pay, perform and discharge, when due, the Assumed Liabilities (as defined in the Asset Purchase Agreement);

NOW, THEREFORE, pursuant to the terms of the Asset Purchase Agreement and for good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, the parties agree as follows:

1. Assignment and Assumption of Purchased Assets. Assignor hereby assigns to Assignee, and Assignee hereby assumes from Assignor, all right, title and interest of Assignor in and to the Purchased Assets.
2. Assignment and Assumption of Assumed Liabilities. Assignor does hereby sell, assign and transfer to Assignee all of the Assumed Liabilities. Assignee hereby accepts the foregoing assignment and agrees to pay any and all sums due and owing accruing on or after the Closing Date (as defined in the Asset Purchase Agreement) and to assume and faithfully perform all covenants, stipulations, agreements and obligations on or after the Closing Date.
3. Payment of Excluded Liabilities. It is agreed that, notwithstanding any other provision contained herein to the contrary, Assignor shall solely retain, pay, perform, or discharge all Excluded Liabilities (as defined in the Asset Purchase Agreement).
4. Successors. This Assignment and Assumption Agreement shall inure to the benefit of and be binding upon the successors and assigns of Assignor and Assignee.
5. Further Assurances. Each party hereto covenants that at any time, and from time to time, after the date hereof, 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 Assignment and Assumption Agreement.
6. No Rights in Third Parties. Nothing expressed or implied herein is intended to confer upon any person, other than Assignor, Assignee and their respective successors and permitted assignees, any rights, remedies, obligations or liabilities hereunder or by reason hereof.

7. Amendment. This Assignment and Assumption Agreement may not be amended or modified except by an instrument in writing signed by all the parties hereto.

8. Governing Law. This Assignment and Assumption Agreement, the parties' performance hereunder and the relationship between them shall be governed by, construed and enforced in accordance with the laws of the State of New Jersey, without regard to the principles thereof regarding conflicts of laws.

9. Capitalized Terms. All capitalized terms not otherwise defined herein are defined as set forth in the Asset Purchase Agreement.

10. Conflicts. This Assignment and Assumption Agreement is delivered pursuant to and is subject to the Asset Purchase Agreement. In the event that any provision hereof conflicts with any provision of the Asset Purchase Agreement, the Asset Purchase Agreement shall be deemed to govern and correctly evidence the intentions of the parties.

[Signatures on Following Page]

IN WITNESS WHEREOF, each party hereto has duly executed this Assignment and Assumption Agreement on the date and year first above written.

ASSIGNOR:

MHA, LLC

By: _____

Name:

Title:

ASSIGNEE:

NJMHMC/LLC

By: _____

Name: YAN MOSKUC

Title: member

EXHIBIT C

Assignment and Assumption of Lease

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is entered into as of May 10, 2016] (the "Effective Date"), by and between MHA, LLC, a New Jersey limited liability company ("Assignor"), and NJMHMC LLC, a New Jersey limited liability company ("Assignee").

In consideration of the covenants contained in this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. BACKGROUND.

1.1. Assignor, as tenant, and MHR Investments LP ("Landlord"), as landlord, are parties to that certain Ground Lease dated as of December 28, 2012 (the "Ground Lease") with respect to the real property located at 55 Meadowlands Parkway, Secaucus, New Jersey. Capitalized terms used but not otherwise defined in this Assignment shall have the meanings given to them in the Ground Lease.

1.2. Assignor and Assignee are parties to Asset Purchase Agreement dated as of May __, 2016 (the "Purchase Agreement").

1.3. This is the assignment and assumption of lease referred to in Section 3.2(a)(iii) of the Purchase Agreement.

2. ASSIGNMENT OF LEASE. Effective as of the Effective Date, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest, as tenant, in, to and under the Ground Lease, including, without limitation, the Security Deposit in the amount of [One Hundred Forty-Two Thousand Seven Hundred Eight and 33/100 Dollars (\$142,708.33) – amount to be confirmed at Closing].

3. ASSUMPTION OF LEASE. Assignee hereby accepts the foregoing assignment, including, without limitation, the assignment of the Security Deposit, and assumes and agrees to perform all of the terms, conditions, covenants and obligations of Assignor under the Ground Lease arising or accruing on and after the Effective Date.

4. PURCHASE AGREEMENT. Nothing contained in this Assignment will in any way supersede, modify, amend, waive or otherwise affect any of the provisions set forth in the Purchase Agreement, including without limitation any of the representations, warranties, covenants and agreements set forth therein, this Assignment being intended only to effect the transfer and conveyance by Assignor to Assignee of the Ground Lease pursuant to the Purchase Agreement.

5. BINDING EFFECT. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

6. **AMENDMENTS.** This Assignment may not be changed, modified or amended orally, but only by an agreement in writing signed by the party against whom enforcement of any change, modification or amendment is sought.

7. **COUNTERPARTS.** This Assignment may be executed and delivered (including by facsimile transmission or portable document format (PDF)) by the parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

8. **GOVERNING LAW.** This Assignment shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to conflicts of law principles which might otherwise cause the laws of a different jurisdiction to govern or apply.

9. **INTERPRETATION.** The parties have fully negotiated the terms of this Assignment in consultation with counsel, and have arrived at the wording of this Assignment as a result of their mutual discussions. Accordingly, no provision of this Assignment shall be construed against a particular party or in favor of another party merely because of which party (or its attorney) drafted or supplied the wording for such provision.

10. **FURTHER ASSURANCES.** Each of Assignor and Assignee shall, promptly and at their sole cost and expense, execute, acknowledge and deliver such other documents and instruments, and take such further actions, as the other party may from time to time reasonably request in order to carry out the purpose of, and to provide the benefits intended to be provided by, this Assignment.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Assignment and Assumption of Lease as of the date first written above.

MHA, LLC

By: _____

Name:

Title:

NJMIMC LLC

By: _____

Name: YAN MOSHE

Title: member

EXHIBIT D

Letter dated November 1, 2010 from New Jersey Department of Health



State of New Jersey
DEPARTMENT OF HEALTH AND SENIOR SERVICES
PO BOX 360
TRENTON, NJ 08625-0360

CHRIS CHRISTIE
Governor

KIM GUADAGNO
LL Governor

www.nj.gov/health

POONAM ALAIGH, MD, MPH, FACP
Commissioner

November 1, 2010

VIA UNITED PARCEL SERVICE

Richard Lipsky, M.D.
Owner
59 Mill Road Extension
Woodcliff Lake, NJ 07677

Re: Meadowlands Hospital Medical Center
CN# FR 100201-09-01
Project Cost: \$15,000,000.00
Expiration Date: November 1, 2015

Dear Dr. Lipsky:

I am approving your certificate of need (CN) application, submitted pursuant to N.J.A.C. 8:33-3.1, for the transfer of the ownership of Meadowlands Hospital Medical Center (MHMC) from Liberty Healthcare System, Inc (Liberty), a non-profit corporation to MHA LLC, a New Jersey limited liability company. This application is being approved at the total project cost noted above.

This CN approval is limited to the transfer of ownership of MHMC, a licensed acute care hospital with a 200-bed capacity of which 138 are medical/surgical beds, 22 Obstetric & OB/GYN beds, 26 Pediatric beds, and 14 adult ICU/CCU beds. It is designated as a Community Perinatal Center-Intermediate and is presently licensed to operate four Intermediate bassinets. The service complement would include the same five mixed operating rooms, one cystoscopy room, sleep center services and acute hemodialysis services. As set forth in the certificate of need application, MHA LLC agrees to operate MHMC as a general acute care hospital for a period of at least seven years following the sale of the hospital, continue all existing medical services offered by MHMC, maintain the existing licensed bed capacity, service complement and programs at the MHMC location and in their surrounding service areas. MHA LLC also agrees to hire substantially all hospital employees who are employed at the time of sale.

The standards that I am compelled to use in evaluating this application are set forth in statute (N.J.S.A. 26:2H-1 et seq.) and by administrative rule (N.J.A.C. 8:33). I must be satisfied that the application submitted by MHA LLC is consistent with those requirements. A transfer of ownership of an entire general hospital and a transfer that will result in a new Medicare provider number for the hospitals involved in the transfer was subject to the full review certificate of need process, N.J.A.C. 8:33-3.3(a)1. For the purposes of the review, the application was considered a transfer of ownership of a licensed facility currently offering health care services and not a reduction, elimination, or relocation of a health care service. Therefore, for the reasons that follow, I am approving with conditions the application submitted for the transfer of ownership of MHMC to MHA LLC. I note for the record that my decision to approve this CN application is consistent with the recommendation of the State Health Planning Board (SHPB), which recommended approval of CN# FR 100201-09-01 with conditions, at its September 30, 2010, meeting. In issuing this decision I reviewed the CN application for the transfer of ownership of MHMC, completeness questions, the transcripts of the public hearings, written comments, exhibits, petitions, the Department of Health and Senior Services' recommendations, and transcripts of SHPB and Community Health Asset Protection Act (CHAPA) meetings, and the SHPB recommendations. The referenced materials are incorporated and made a part of this final decision.

N.J.S.A. 26:2H-8, as well as N.J.A.C. 8:33-4.9(a), provides for the issuance of a certificate of need only where the action proposed in the application for such certificate is necessary to provide required health care in the area to be served, can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will contribute to the orderly development of adequate and effective health care services. In making such determinations, I must take into consideration: (a) the availability of facilities or services which may serve as alternatives or substitutes, (b) the need for special equipment and services in the area, (c) the possible economies and improvement in services to be anticipated from the operation of joint central services, (d) the adequacy of financial resources and sources of present and future revenues, (e) the availability of sufficient manpower in the several professional disciplines, and (f) such other factors as may be established by regulation.

As part of the review process, the SHPB is also required to hold at least one public hearing in the service area of the health care facility within 30 days of the application being declared complete by the Department. A public hearing took place at Secaucus High School on August 26, 2010 with approximately 150 people attending, of which 13 provided verbal testimony. Most of the speakers expressed concerns about the applicant's lack of experience in operating a hospital; the for-profit status of the applicant; the applicant's lack of a long-range written commitment to keeping the facility open as a hospital; the lack of a written commitment to retaining most of the current staff; the possible transfer of funds away from the community and hospital to investors; and the retention of contracts with insurers. The Department and the SHPB reviewed

these concerns and adequately addressed the issues in the analysis and recommendations approved by the SHPB.

As to the specifics of this application, N.J.S.A. 26:2H-8(a) requires that I consider the availability of facilities or services, which may serve as alternatives or substitutes. I believe the applicant carefully and thoroughly examined its available options before deciding to proceed with the acquisition of MHMC. The applicant believes that this transfer of ownership is the only viable option to preserving the current level of health care services for its service area residents. The applicant does not intend to downsize services or reduce availability to any service previously provided at MHMC. I have taken into consideration that there are five other hospitals in the county within a thirteen mile radius that offer comparable or expanded capabilities to MHMC, which have co-existed with MHMC and find this alternative to be the least disruptive to maintaining the current level of care and services. I agree that the proposed transfer of ownership, as opposed to the closure of the hospital, will preserve access to health care services for the community including the medically indigent and medical underserved population. Although the Department realizes that in the future, MHA LLC may approach the Community Advisory Group and the Department, with requests to modify services to strengthen the viability of the hospital, on balance, the stability to the community by this provider outweighs the alternative of reduction of services or significant disruption. Thus, I am satisfied that this criterion is met.

I also find that the requirement at N.J.S.A. 26:2H-8(b) to consider the need for special equipment and services in the area would be met in this case since following the transfer of ownership, MHA LLC has agreed to offer the same services that are currently licensed at the present facility.

With respect to N.J.S.A. 26:2H-8(c) regarding the possible economies and improvement in services to be anticipated from the operation of joint central services, I find that this is not applicable since the applicant will independently operate this hospital. Moreover, I note that the applicant is committed to enhancing revenues, effecting operational efficiencies, and improving resource utilization to reverse the current operating losses at MHMC through the recruitment/development of medical staff and through application of management expertise following this transfer. The applicant has also stated this would be accomplished without reducing any of the existing licensed bed complement or services provided at MHMC prior to the transfer.

N.J.S.A. 26:2H-8(d) requires me to examine the adequacy of financial resources and sources of present and future revenues. Financial analysis of the MHA LLC application undertaken by the Department indicates that MHA LLC possesses adequate financial resources to accomplish the proposed project. I also recognize that Liberty could no longer afford the multi-million dollar annual operating losses at MHMC, which began to accelerate in 2008, when the operating deficit reached \$4.7 million. Projected losses into 2010 are expected to exceed 6 million. With respect to N.J.S.A. 26:2H-8(e) regarding the availability of sufficient manpower in the several professional disciplines, I

am satisfied that there will be sufficient qualified personnel since MHA LLC has agreed to operate all of the existing beds and services presently at MHMC and hire substantially all of MHMC employees at the time of the sale.

N.J.S.A. 26:2H-8(f) requires consideration of such other factors as may be established by regulation; therefore, I have taken into consideration the applicable administrative rules governing the services subject to full review (i.e., N.J.A.C. 8:33-1.1 et seq.). MHA LLC is in compliance with the access requirements set forth in N.J.A.C. 8:33-1.1 et seq. and N.J.A.C. 8:33-4.10(a). Specifically, MHA LLC states that it will make no change to the care or services currently provided at MHMC following this transfer of ownership and that outreach efforts will continue to low income, racial and ethnic minorities, women, disabled, elderly and all other patients in need of prevention, diagnostic and treatment services. MHA LLC notes that under their leadership, MHMC will continue to maintain its commitment to the community to preserve access to health care for the residents, including the medically indigent and medically underserved population. The applicant states that their policies are consistent with those previously at MHMC regarding the provision of indigent care and its acceptance of all patients regardless of their ability to pay. In approving this application with conditions, there will then also be a Community Advisory Group to monitor the availability and accessibility of health care services.

In addition, N.J.A.C. 8:33-4.9(a) requires a demonstration by the applicant that this transfer of ownership shall not have an adverse impact on the population being served in regards to access and quality of care. The applicant indicates that the transfer of ownership of MHMC, as opposed to the closure of the hospital, will preserve and enhance the financial viability of the hospital, and allow it to continue as a general acute care hospital providing the same level of licensed beds and healthcare services in the community. In addition, MHA LLC has made a commitment to maintain MHMC as a general acute hospital for no less than seven years after the transfer of ownership.

Moreover, I find that MHA LLC has provided an appropriate project description, which includes information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); assurance that all residents of the area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33-4.10(a)); and assurance that it will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(d)).

Based on the foregoing, I am approving the application for the transfer of ownership of MHMC. My decision to allow this transfer of ownership to MHA LLC is based on the fact that the operation of MHMC under the proposed new ownership would be beneficial to the population in its service area since the transfer of ownership, as opposed to the closure of the hospital, will preserve access to health care services for the community, including the medically indigent and medically underserved population. I believe that this approval will not have an adverse impact on any hospital

in Hudson County or the surrounding counties. I also believe that without this action, the financial conditions at MHMC under the ownership of Liberty would place the continued operation of both Jersey City Medical Center and MHMC at risk and could eventually lead to the closure of MHMC, closure or reduction of services, or bankruptcy. There is no existing data to suggest that this transfer of ownership would change MHMC relationship with the other Hudson County hospitals or adversely impact the health status of the community.

Finally, I acknowledge that MHMC has had a long standing commitment to the residents in its service areas and believe that this approval will better enable MHMC under their new ownership to maintain and enhance their commitment to the community into the foreseeable future. I also note that the applicant's business model and marketing strategy could stimulate an increase in patient volume and, in turn, return the hospital to financial stability. For the reasons set forth in this letter and noting the approval of the SHPB, I am approving MHA LLC's application for the transfer of ownership for MHMC subject to the following conditions, which I note were accepted by a representative of the applicant while addressing the SHPB:

1. The applicant completes the Office of Attorney General Community Health Care Assets Protection Act, N.J.S.A. 26:2H-7.10 et seq., review for the proposed sale of the assets of Meadowlands Hospital Medical Center by Liberty Healthcare System, Inc. to MHA LLC.
2. The applicant shall file a licensing application with the Department's Certificate of Need and Healthcare Facility Licensure Program to execute the transfer of the ownership of MHMC license from Liberty to MHA LLC.
3. The applicant shall notify the Department's Office of Certificate of Need and Healthcare Facility Licensure (CNHCFL) in writing, specifically who is responsible for the safekeeping and accessibility of all MHMC patients' medical records (both active and stored) in accordance with N.J.S.A. 8:26-8.5 et. Seq. and N.J.A.C. 8:43G-15.2.
4. MHA LLC shall operate MHMC as a general hospital, in compliance with all regulatory requirements, for at least seven years. This condition shall be imposed as a contractual condition of any subsequent sale or transfer, subject to appropriate regulatory or legal review, by MHA LLC, within the seven year period.
5. As noted by the applicant, MHA LLC shall hire substantially all MHMC employees who are employed at the time of the sale.
6. MHA LLC shall continue all clinical services and community health programs currently offered at MHMC by the previous ownership. Any changes in this commitment involving either a reduction or elimination of clinical services or

community health programs offered by MHMC's former ownership shall require prior written approval from the Department and shall be subject to all applicable statutory and regulatory requirements. Any request for reduction or elimination of clinical services or community health programs shall include the Community Advisory Group (see paragraph 12 below) written analysis and response to the request.

7. MHA LLC shall continue compliance with N.J.A.C. 8:43G-5.21(a), which requires that "[a]ll hospitals . . . provide on a regular and continuing basis, out-patient and preventive services, including clinical services for medically indigent patients, for those services provided on an in-patient basis." Documentation of compliance shall be submitted within 30 days of the issuance of the license and quarterly thereafter for a period of seven years.
8. In accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), MHA LLC shall not only comply with federal EMTALA requirements but also provide care for all patients who present themselves at MHMC without regard to their ability to pay or payment source.
9. The value of indigent care provided by MHA LLC shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care provided historically by MHMC.
10. MHA LLC shall establish a functioning Board of Directors for the hospital responsible for implementing hospital-wide policy, adopting bylaws, maintaining quality of care, and providing institutional management and planning. The Board shall consist of hospital management as well as local community members representing the residing population of MHMC's service area and not less than three physicians, the latter two groups to be comprised of individuals who are not themselves owners or employees of, nor related to employees of, any parent, subsidiary corporation or corporate affiliate. These physicians may be actively engaged in the clinical practice of medicine and may have clinical privileges at MHMC. Thereafter, the board shall continually maintain suitable representation of the residing population of the hospital's service area. Annual notice shall be made to the Department of this Board's roster, along with any policies governing Board composition, governance authority and Board appointments.
 - a. Provide, with specificity, which best practices in the New Jersey Commission on Rationalizing Health Care Resources Report that MHA LLC will adopt as management policies including, but not limited to, Conflict of Interest Policy for principals and Board.

- b. All Policies and Procedures related to best practices shall be shared with the Community Advisory Group and made available to the Department, upon request.
11. MHA LLC shall submit a report to the Department, on an annual basis for the initial seven years following the transfer of ownership, or upon request, detailing:
- a. the investments it has made during the previous year at the hospital. Such report shall also include a detailed annual accounting of any long or short term debt or other liabilities incurred on the hospital's behalf and reflected on the MHMC's balance sheet; and,
 - b. the transfer of funds from the hospital to any parent, subsidiary corporation, or corporate affiliate and shall indicate the amount of funds transferred. Transfer of funds shall include, but not be limited to, assessments for corporate services, transfers of cash and investment balances to centrally controlled accounts, management fees, capital assessments, and/or special one-time assessments for any purpose; and
 - c. submit all required financial measures pursuant to N.J.A.C. 8:31B and monthly reporting of financial indicators.
12. Within three months of approval of this application, MHA LLC shall develop and participate in a Community Advisory Group (CAG) to provide ongoing community input to the hospital's CEO and the hospital's Board on ways that MHMC can meet the needs of the residents in its service area.
- a. Subject to the provisions below, MHA LLC shall determine the membership, structure, governance, rules, goals, timeframes, and the role of the CAG in accordance with the primary objectives set forth above, and shall provide a written report setting forth same to the hospital's Board of Trustees, with a copy to the Department and subject to the Department's approval, within 60 days from the date of formation of the CAG.
 - b. MHA LLC shall minimally seek participation from each town in the service area of MHMC by offering a seat on the CAG to each town's mayor or his/her designee. Membership on the CAG shall include patient advocates, local public health officials, clinical practitioners whose mission is to ensure that New Jersey residents are provided fully-integrated and comprehensive health services; labor unions and community advocates.
 - c. MHA LLC shall designate co-chairs of the CAG, one of whom shall be a member of the hospital's Board and one of whom shall be a community

- member who is neither employed by nor related to anyone employed by any parent, corporate subsidiaries or corporate affiliates.
- d. A CAG representative shall be given a seat, ex-officio, on the hospital's Board of Trustees.
 - e. The co-chairs of the CAG shall jointly submit to the hospital's Board of Trustees, with a copy to the Department, a semi-annual report of the progress toward the goals of the CAG.
 - f. The co-chairs of the CAG shall jointly transmit to the hospital's Board, with a copy to the Department, a quarterly and any special reports relative to the implementation of these conditions.
 - g. Each member of the CAG shall be required to publicly disclose any and all conflicts of interest to the CAG members and the hospital's Board of Trustees.
 - h. MHA LLC may petition the Department to disband the CAG not earlier than three years from the date of CN approval and on showing that all of the above conditions have been satisfied for at least one year.
- 13. MHA LLC shall report in a timely manner all quality measures required by administrative rule to the Department and report to the Community Advisory Group on scores and recommendations for improvement.
 - 14. For seven years after initial licensure of MHMC under MHA LLC ownership, the hospital's Board Chairman, President/CEO and other senior hospital management shall meet with the Commissioner of the Department of Health and Senior Services (Commissioner) at regular intervals on a schedule to be determined by the Commissioner to discuss the hospital's condition and compliance with the terms of this certificate of need.
 - 15. An outreach effort shall be placed into effect to ensure that all residents of the hospital service area, especially the medically indigent, have access to the available services at the location. A self-evaluation of this effort shall be conducted on a yearly basis for seven years after licensure to measure its effectiveness including any payments accounted for activities, including but not limited to, outreach, community programs, health professional education, and shall be submitted to the Department for review and comment and presented to the public at the hospital's annual public meeting.
 - 16. MHA LLC must make a reasonable attempt to continue the current commercial insurance contracts of MHMC that are in effect for at least 1 year after licensure and report annually on payor mix. If MHA LLC provides notice to terminate

Meadowlands Hospital Medical Center
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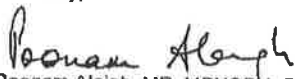
such contracts at any time, MHA LLC shall meet with the Department to discuss public notice and access.

- a. MHA LLC shall endeavor to maintain existing HMO insurance coverage at Meadowlands Hospital for the first year following acquisition, including, but not limited to good faith negotiations. If MHA LLC provides notice to terminate any HMO contracts at any time, MHA LLC shall in advance meet with representatives from the Departments of Banking and Insurance and Health and Senior Services to discuss the intent to terminate such contract and documenting how it will provide notice to patients and providers.
17. In accordance with the provisions of N.J.S.A. 26:2H-18.59h, MHA LLC shall "offer to its employees who were affected by the transfer, health insurance coverage at substantially equivalent levels, terms and conditions to those that were offered to the employees prior to the transfer."
18. All the above conditions shall also apply to any successor organization to MHA LLC who acquires MHMC within seven years from the date of the CN approval.

Failure to satisfy the aforementioned conditions of approval may result in sanctions, including license suspension, monetary penalties and other sanctions in accordance with N.J.S.A. 26:2H-1 et seq. and all other applicable requirements. Acceptance of these conditions will be presumed unless written objections are submitted to the Department within 30 days of receipt of this letter. Upon receipt of such objections, this approval will be deemed suspended and the project shall be re-examined in light of the objections.

We look forward to working with you and helping you to provide a high quality of care to the patients of MHMC's service areas. If you have any questions concerning this certificate of need, please do not hesitate to contact John Calabria, Director, Office of Certificate of Need and Healthcare Facility Licensure, at (609) 292-8773.

Sincerely,


Poonam Alaigh, MD, MSHCPM, FACP
Commissioner

c: John A. Calabria

EXHIBIT E

Medical Records Custody Agreement

MEDICAL RECORD CUSTODIAL AGREEMENT

This Medical Record Custodial Agreement ("Agreement") is entered into May 10 2016 by and between MHA, LLC, a New Jersey limited liability company ("MHA"), and NJMHMC LLC, a New Jersey limited liability company (the "Custodian"). MHA and Custodian are each a "Party" and, collectively, the "Parties."

RECITALS

WHEREAS, MHA operates Meadowlands Hospital Medical Center, an acute care hospital located at 55 Meadowlands Parkway, Secaucus, New Jersey 07094 (the "Hospital");

WHEREAS, the Custodian and MHA entered into an Asset Purchase Agreement whereby Custodian has purchased and assumed from MHA certain assets and liabilities of MHA used in the ownership and operation of the Hospital (the "APA") as of the Closing Date (as defined in the APA);

WHEREAS, Custodian will, as of the Closing Date, operate the Hospital;

WHEREAS, the Parties desire to set forth the conditions upon which medical records with respect to patients treated at the Hospital prior to the Closing Date (the "Medical Records") will be transferred and retained by Custodian and the conditions under which MHA will have access to such Medical Records.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows.

1. **Effective Date.** The term of this Agreement shall begin on the Closing Date (the "Effective Date") and shall continue unless and until the parties mutually agree to terminate this Agreement and/or until the Custodian disposes of all the Medical Records in accordance with this Agreement and all applicable law.
2. **Transfer of Custody; Retention.** The Medical Records shall be transferred, effective as of the Effective Date, to the custody and control of the Custodian. The Custodian shall accept, retain and store, at its sole cost and expense, the Medical Records in accordance with all local, state and federal laws, statutes, regulations or other requirements governing the maintenance and protection of hospital medical records (the "Medical Record Requirements"), including without limitation, the New Jersey Manual of Hospital Licensing Standards located at N.J.A.C. 8:43G, the Medicare Conditions of Participation for Hospitals located at 42 U.S.C. part 482, the requirements of the Standards for Privacy of Individually Identifiable Health Information published by the U.S. Department of Health and Human Services at 45 C.F.R. part 160 and part 164, subpart E, under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act and its related regulations.
3. **Representations and Warranties.** Custodian represents and warrants that (A) it will provide MHA immediate and continuing access to and complete copies of any Medical Records MHA requires (i) to defend anticipated or actual litigation, (ii) to satisfy any

applicable local, state or federal laws; (iii) to respond to any governmental inquiry, including but not limited to inquiries of the Medicare and Medicaid programs and/or the U.S. Department of Health and Human Services; (iv) to reconcile accounts receivable and payments; or (v) for any due diligence business inquiry or such other access as reasonably requested in connection with the exercise of MHA's healthcare or business operations; and (B) with respect to its retention of the Medical Records, it is and shall remain for the duration of this Agreement the covered entity for purposes of meeting HIPAA and/or HITECH requirements and/or is otherwise the responsible party with respect to meeting any Medical Record Requirements.

4. **Indemnification.** Custodian shall hold harmless, Indemnify and defend (including reasonable attorney fees) MHA from and against any claims, damages, liabilities or penalties that may be incurred by MHA as the result of or related to Custodian's responsibilities as custodian of the Medical Records and/or Custodian's alleged or actual violation of the Medical Record Requirements..
5. **Relationship of the Parties.** The Custodian and MHA hereto acknowledge that they are independent contractors in the performance of their obligations under the terms of this Agreement. Nothing in this Agreement shall be deemed or construed to create a joint venture or partnership between the Parties.
6. **Assignment.** Neither Party may assign any rights or obligations under this Agreement without the other Party's prior written consent, which shall not be unreasonably withheld or delayed.
7. **Notices.** Any notice from one Party to the other Party related to this Agreement shall be in writing and shall be deemed to be given (i) upon delivery if by hand or by overnight courier or (ii) three days after mailing, if by certified or registered mail to the receiving Party's Notice Address below. The Parties may change their Notice Addresses upon delivery of notice to the other Parties.
8. **Severability.** If a court or other body of competent jurisdiction declares any term of this Agreement invalid or unenforceable, then the remaining terms shall continue in full force and effect.
9. **Non-Waiver.** No right created by this Agreement shall be deemed waived unless specifically and expressly waived in a writing signed by the Party possessing the right.
10. **Prevailing Party.** If a Party prevails against another Party regarding any claim arising from or related to this Agreement, then the non-prevailing Party shall reimburse the prevailing Party for costs, expenses, and attorneys' fees reasonably incurred by the prevailing Party regarding that claim.
11. **Governing Law.** The laws of the State of New Jersey will govern the validity, interpretation, performance, remedies, and all other issues arising under or out of this Agreement.



Notice Address for Custodian:

Facsimile: _____

E-mail: _____

Attention: _____

with a copy to:

Russell Friedman & Associates, LLP
3000 Marcus Avenue, Suite 2E03
Lake Success, New York 11042
Facsimile: (516) 335-9621
E-mail: rfriedman@friedmanlaw.com
Attention: Russell C. Friedman, Esq.