

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<p><b>In re:</b></p> <p><b>NEIGHBORS LEGACY HOLDINGS, INC.,</b> <i>et al.,</i></p> <p style="text-align: center;"><b>Debtors.<sup>1</sup></b></p>	§ § § § § § § §	<p><b>Chapter 11</b></p> <p><b>Case No. 18-33836 (MI)</b></p> <p><b>Jointly Administered</b></p>
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**NOTICE OF ENTRY OF ORDER (A) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF DEBTORS’ ASSETS AND (B) APPROVING AUCTION AND BID PROCEDURES, INCLUDING PAYMENT OF BID PROTECTIONS**  
**(Docket No. 203)**

**PLEASE TAKE NOTICE** that the Order (A) Authorizing and Scheduling an Auction for the Sale of Debtors’ Assets and (B) Approving Auction and Bid Procedures, Including Payment of Bid Protections (the “Bidding Procedures Order”) was entered in the above-captioned matter on August 8, 2018. A true and correct copy of the Bidding Procedures Order is attached as **Exhibit 1** to this Notice.

**PLEASE TAKE FURTHER NOTICE** that the Bidding Procedures for the Sale of the Debtors’ Assets the (“Bidding Procedures”) is attached as **Exhibit 2** to this Notice.

**PLEASE TAKE FURTHER NOTICE** that pursuant to the Bidding Procedures Order:

1. **Bidding Deadline.** On or before **5:00 p.m.** Central Time on **August 22, 2018**, Qualified Bids<sup>2</sup> must be delivered to: (i) the Debtors’ proposed investment banker, Attn: Andrew Turnbull, Houlihan Lokey Capital, Inc., 111 South Wacker Drive, 37th Floor, Chicago, IL 60606, [aturnbull@hl.com](mailto:aturnbull@hl.com); (ii) the Debtors’ CRO, Attn: Chad J. Shandler, CohnReznick LLP, 1301 Avenue of the Americas, New York, New York 10019, [chad.shandler@cohnreznick.com](mailto:chad.shandler@cohnreznick.com); (iii) the Debtors’ proposed counsel, Attn: John F. Higgins, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com); (iv) the Agent’s counsel, Attn: Matthew E. Tashman, Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103, [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com); and (v) proposed counsel to the Official Committee of Unsecured Creditors, Attn: Michael D. Warner, 301 Commerce Street, Suite 1700, Fort Worth, Texas 76103, [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com).

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> Defined terms shall have the same meaning as that ascribed to them in the Bidding Procedures Order and the Bidding Procedures.



2. **Auction.** If one or more timely Qualified Bids are received by the Bid Deadline, an auction for the Purchased Assets will be conducted on **August 27, 2018**, starting at **10:00 a.m.** Central Time at the offices of Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002. **Only Qualified Bidders may participate in the Auction.**

3. **Deadline to Object to Sale.** Objections (if any) to approval of the proposed sale of the Assets must be filed with the Court and served upon each of the following so as to be actually received on or before **4:00 p.m.** (local time in Houston, Texas) on **August 23, 2018**: (i) counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, Attention: John F. Higgins, Esq. (email: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)) and Eric M. English, Esq. (email: [eenglish@porterhedges.com](mailto:eenglish@porterhedges.com)), (ii) counsel to the Stalking Horse Bidder for the Houston locations, Attention: Anwar-i-Qadeer, Esq. (email: [qadeer@qadeerlaw.com](mailto:qadeer@qadeerlaw.com)), and (iii) counsel to the Stalking Horse Bidder for the non-Houston locations, Foley Gardere, Foley & Lardner LLP, 2021 McKinney Avenue, Suite 1600, Dallas, Texas 75201, Attention: Marcus Helt, Esq. (email [mhelt@foley.com](mailto:mhelt@foley.com)), and (iv) proposed counsel for the Committee, Cole Schotz, P.C., 301 Commerce Street, Suite 1700, Fort Worth, Texas 76102, Attn: Michael D. Warner (email [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com)).

4. **Sale Hearing.** A hearing to approve a sale based on the Highest and Best Bid shall take place on **August 28, 2018, at 3:30 p.m.** in Courtroom 404, on the fourth floor of the United States Courthouse, 515 Rusk, Houston, Texas 77002.

Dated: August 9, 2018.

**PORTER HEDGES LLP**

By: /s/ John F. Higgins  
John F. Higgins  
State Bar No. 09597500  
Eric M. English  
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1000 Main Street, 36th Floor  
Houston, Texas 77002  
Telephone: (713) 226-6000  
Fax: (713) 228-1331

**PROPOSED COUNSEL FOR DEBTORS  
AND DEBTORS IN POSSESSION**



ENTERED  
08/08/2018

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>NEIGHBORS LEGACY HOLDINGS, INC., et al.,</b>	§	<b>Case No. 18-33836 (MI)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>(Jointly Administered)</b>
	§	

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**ORDER (A) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF  
DEBTORS' ASSETS AND (B) APPROVING AUCTION AND BID PROCEDURES,  
INCLUDING PAYMENT OF BID PROTECTIONS**

[Related to Docket No. 20]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)<sup>2</sup> for, among other things, (i) entry of an order (a) authorizing and scheduling an auction for the sale of Debtors’ Assets and (b) approving auction bid procedures, including payment of bid protections. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion. The relief requested by the Motion is in the best interests of the Debtors, their estates, creditors, stakeholders, and other parties in interest and the Debtors gave sufficient and proper notice of the Motion and related hearings. Upon consideration of the Motion and after hearing and considering all evidence in

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> Except as otherwise provided in this Order, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.



support of the Motion during proceedings before this Court, the Court finds that good cause exists to grant the requested relief.

1. Pursuant to Bankruptcy Rule 7052, made applicable by Bankruptcy Rule 9014, the Court makes the following **FINDINGS OF FACT AND CONCLUSIONS OF LAW**:

a. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion.

b. Notice of the Motion and any related hearings was sufficient and complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules. Notice of the Motion has been given to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com) and [llim@reedsmith.com](mailto:llim@reedsmith.com), counsel to the Agent; (d) Cole Schotz, P.C., 301 Commerce Street, Suite 1700, Fort Worth, Texas 76102 (Attn: Michael D. Warner), and via email to [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com) (e) the United States Attorney's Office for the Southern District of Texas; (f) the Internal Revenue Service; (g) any party known to have asserted a Lien on the Purchased Assets; (h) all known affected federal, state, and local regulatory, and taxing authorities; (i) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (j) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service. No further notice of the Motion, any related hearings, or this Order is necessary or required.

c. The Bid Procedures were proposed by the Debtors in good faith with the goal of maximizing the value of the Business and the Assets for the benefit of all creditors of their estates.

d. Approval of any reimbursement or breakup fee and entry of this Order is (i) a necessary and appropriate inducement to the Stalking Horse Bidders (1) to make an initial offer which will serve as a “floor” for further bidding, and (2) to enter into the Stalking Horse Agreements and consummate the transactions contemplated thereby, and (ii) a condition precedent to closing the transactions contemplated by the Stalking Horse Agreements.

**IT IS THEREFORE ORDERED THAT**

1. The Motion is granted to the extent set forth in this Order. Any objections to the Motion that have not been resolved or withdrawn are hereby overruled on the merits. The Bid Procedures, attached as **Exhibit A**, are hereby approved and shall be used in connection with the proposed sale of the Assets. The form of Stalking Horse Agreement for the Debtors’ Houston locations, attached to this Order as **Exhibit B**, and the form of Stalking Horse Agreement for the Debtors’ non-Houston locations, attached to this Order as **Exhibit C**, are approved, solely for the purpose of establishing the stalking horse bids for the Assets. All substantive rights are reserved for the Sale Hearing.

2. Objections (if any) to approval of the proposed sale of the Assets shall be in writing, shall set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with the Court and served upon each of the following so as to be actually received on or before 4:00 p.m. (local time in Houston, Texas) on August 23, 2018: (i) counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas

77002, Attention: John F. Higgins, Esq. (email: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)) and Eric M. English, Esq. (email: [eenglish@porterhedges.com](mailto:eenglish@porterhedges.com)), (ii) counsel to the Stalking Horse Bidder for the Houston locations, Attention: Anwar-i-Qadeer, Esq. (email: [qadeer@qadeerlaw.com](mailto:qadeer@qadeerlaw.com)), and (iii) counsel to the Stalking Horse Bidder for the non-Houston locations, Foley Gardere, Foley & Lardner LLP, 2021 McKinney Avenue, Suite 1600, Dallas, Texas 75201, Attention: Marcus Helt, Esq. (email [mhelt@foley.com](mailto:mhelt@foley.com)), and (iv) proposed counsel for the Committee, Cole Schotz, P.C., 301 Commerce Street, Suite 1700, Fort Worth, Texas 76102, Attn: Michael D. Warner (email [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com)).

3. Any objection not filed and served in accordance with the preceding two paragraphs shall be deemed waived and shall be forever barred.

4. The failure of any third party to file and serve an objection to the sale as ordered and directed herein shall be deemed the consent of such party to the granting of the Motion and the sale and transfer of the Assets.

5. No later than 10 (ten) days prior to the Sale Hearing, the Debtors will file with the Court and serve on each non-debtor party to an executory contract or unexpired lease a notice setting forth the amount of cure owed thereunder according to the Debtors' books and records (the "Cure Notice"). The Cure Notice shall state the cure amount that the Debtors believe is necessary to assume such contract or lease pursuant to Bankruptcy Code section 365 (the "Cure Amount"), and notify each non-debtor party that such party's lease or contract may be assumed and assigned to the Stalking Horse Bidder or to the successful bidder to be identified at the conclusion of the Auction.

6. No later than five (5) days prior to the Sale Hearing, any objection to the Cure Amount must be filed with the Court (the "Cure Objection Deadline"). Any objection to the

Cure Amount must state with specificity what cure the non-debtor party to the executory contract or unexpired lease believes is required with appropriate documentation in support thereof. If no objection is timely received, the Cure Amount set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any executory contract, unexpired lease or other document as of the date of the Cure Notice; the non-debtor party to the executory contract or unexpired lease shall be deemed to have stipulated that the Cure Amount set forth in the Cure Notice is correct; the non-debtor party shall be forever barred, estopped and enjoined from asserting or claiming that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such contract or lease or that there is any objection or defense to the assumption and assignment of such contract or lease, including any argument that there exist conditions to assumption and assignment that must be satisfied under such contract or lease or that any required consent to assignment has not been given.

7. In the event that the Debtors consummate an Alternative Transaction (as such term is defined in the Stalking Horse Agreement(s)), which would include a sale of the Purchased Assets to any party other than a Stalking Horse Bidder, the Debtors are authorized to incur and pay, upon the closing of the Alternative Transaction and payment of the purchase price, from the purchase price the Bid Protections, in accordance with the Bidding Procedures, in connection with any Stalking Horse Agreement with a Stalking Horse Bidder. To the extent a determination is made to provide for and pay the Bid Protections, the Debtors will file a notice of such determination, and such Bid Protections may be paid without further action or order by the Court.

8. Notwithstanding anything to the contrary in the Fostre, Inc. Asset Purchase Agreement (Docket No. 89) (the "Fostre APA"), absent agreement between the Buyer and the

Sellers, the Court will determine whether the Buyer is entitled to payment of the Bid Protections in the event the Buyer terminates, or purports to terminate, the Fostre APA because of any breach based on the Sellers' actions or conduct occurring prior to entry of this Order. For the avoidance of confusion, if the Buyer terminates, or purports to terminate, the Fostre APA based on a breach arising from, or as a result of, Sellers' failure or inability to fulfill the conditions to closing set forth in Section 8.02(h) or (i) of the Fostre APA (establishing minimum required levels for Aggregate Patient Volume and Average Net Revenue Per Patient for the thirty-day period preceding the Closing Date), such breach shall not be treated as a breach based on "actions or conduct occurring prior to entry of this Order" for the purposes of the foregoing sentence, notwithstanding whether the calculation of the Aggregate Patient Volume or Average Net Revenue Per Patient includes data from dates prior to entry of this Order.

9. The Bid Procedures and the Bid Protections are fair and reasonable, are reasonably calculated to produce the best and highest offers for the Assets, and will confer actual benefits upon the Debtors' estates. The Bid Procedures and the Bid Protections represent an exercise of the Debtors' sound business judgment and will facilitate an orderly sale process.

10. The following provision in the Debtors' form nondisclosure agreement, which was admitted into evidence at the August 1, 2018 hearing as Debtors' Exhibit 12 (the "NDA"), shall not apply to Class A or Class B physicians that are currently party to an NDA:

You further agree that, without the prior written consent of the Company, neither you nor any of your affiliates will, directly or indirectly, alone or in concert with others: (i) purchase, offer or agree to purchase, or announce an intention to purchase any indebtedness of, or claim against the Company or assets of the Company or rights or options to acquire the same or contract any party with respect thereto; (ii) seek or propose to influence or control the Company's management, board of directors, policies or affairs; (iii) disclose any intention, plan or arrangement inconsistent with the foregoing; or (iv) encourage any of the foregoing.

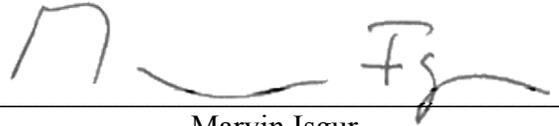
11. The Debtors shall not include the foregoing provision in any NDA executed by any Class A or Class B physician after the date hereof. Notwithstanding anything to the contrary herein, no party (including any Class A or Class B physician) who receives confidential information pursuant to an NDA may use such information to buy or sell claims against the Debtors.

12. The Debtors shall serve a copy of this Order as contemplated in the Motion.

Dated: Houston, Texas

Signed:

August 08, 2018

  
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Marvin Isgur  
United States Bankruptcy Judge

Any physician/partner/investor or group in which a physician/partner/investor is participating may provide proof of funds not later than 9:30 a.m. on August 27, 2018.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

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<b>In re:</b>	§	
	§	<b>Chapter 11</b>
	§	
<b>NEIGHBORS LEGACY HOLDINGS, INC., et al.,</b>	§	<b>Case No. 18-33836 (MI)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>(Jointly Administered)</b>
	§	

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**BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS’ ASSETS**

On August 1, 2018, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered the *Order (A) Approving Auction and Bid Procedures, Including Bid Protections, and (B) Authorizing and Scheduling An Auction for the Sale of Debtors’ Assets* [Docket No. \_\_\_\_] (the “Bidding Procedures Order”),<sup>2</sup> which approved the Bidding Procedures set forth herein. Accordingly, these Bidding Procedures set forth the process by which the Debtors are authorized to conduct an auction (the “Auction”) for the sale (the “Sale”) of substantially all of the Debtors’ assets in one or more asset packages (each an “Asset Package,” and, collectively, the “Assets”).

1. **Assets to be Sold.** The Debtors seek to sell substantially all of their Assets in one or more Asset Packages (the “Purchased Assets”). Pursuant to the existing Stalking Horse Agreements, one Asset Package includes the Debtors’ Houston area operating locations and one Asset Package includes the Debtors’ non-Houston operating locations. The Debtors are considering all bid proposals but are seeking a comprehensive sale of their Assets and therefore encourage bidders to provide flexibility with regard to Assets included in proposals.

2. **Free and Clear of Any and All Claims and Interests.** Except as otherwise provided in the Stalking Horse Agreements, or another successful bidder’s purchase agreement, all of the Debtors’ right, title, and interest in and to the Purchased Assets subject thereto shall be sold free and clear of all liens, claims and interests (collectively, the “Encumbrances”) to the maximum extent permitted by Section 363 of the Bankruptcy Code (other than Permitted Liens and Assumed Liabilities), with such Encumbrances to attach to the net proceeds of the sale of the Purchased Assets with the same validity and priority as such Encumbrances applied against the Purchased Assets.

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<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order. In the event of a conflict, the terms of the Bidding Procedures Order shall prevail.

3. **Bid Deadline.** On or before 5:00 p.m. Central Time on August 22, 2018 (the “Bid Deadline”), Qualified Bids must be delivered to (the “Notice Parties”):

- (1) The Debtors’ proposed investment banker, Attn: Andrew Turnbull, Houlihan Lokey Capital, Inc., 111 South Wacker Drive, 37th Floor, Chicago, IL 60606, [aturnbull@hl.com](mailto:aturnbull@hl.com);
- (2) The Debtors’ CRO, Attn: Chad J. Shandler, CohnReznick LLP, 1301 Avenue of the Americas, New York, New York 10019, [chad.shandler@cohnreznick.com](mailto:chad.shandler@cohnreznick.com);
- (3) The Debtors’ proposed counsel, Attn: John F. Higgins, Porter Hedges LLP, 1000 South Main, 36th Floor, Houston, Texas 77002, [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com);
- (4) The Agent’s counsel, Attn: Matthew E. Tashman, Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103, [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com); and
- (5) Proposed counsel to the Official Committee of Unsecured Creditors, Attn: Michael D. Warner, 301 Commerce Street, Suite 1700, Fort Worth, Texas 76103, [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com).

4. **Qualified Bidders.** Only Qualified Bidders may participate in the bidding process. Except as otherwise set forth in these Bid Procedures, to become a Qualified Bidder, by the Bid Deadline, a potential bidder must (i) execute and deliver to the Debtors an acceptable confidentiality agreement prepared by the Debtors (such bidder thereafter an “Approved Bidder”), (ii) deposit with the Debtors, in cash, 10% of the bidder’s proposed purchase price for the non-Houston operating locations and 5% of the bidder’s proposed purchase price for the Houston operating locations (each, “Alternative Bidder’s Deposit”), which deposit shall be refundable as described below; (iii) submit to the Notice Parties an unqualified and binding bid in an amount of total consideration that exceeds the consideration of any applicable Stalking Horse Agreement,<sup>3</sup> plus the applicable Bid Protections, as that term is defined in any applicable Stalking Horse Agreement, plus \$250,000<sup>4</sup> (provided, however, in the event that the bid is for different Assets than the Asset Packages contemplated by a Stalking Horse Agreement, such consideration shall reasonably represent a premium to an approximate allocation of such Stalking Horse Agreement consideration; provided further, that in determining the value of the Bid, the Debtors, in consultation with the Agent and any duly appointed statutory committee under 11

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<sup>3</sup> To the extent that the purchase price is reduced pursuant to the terms of a Stalking Horse Agreement, the minimum qualified bid will be reduced by the same amount as the purchase price reduction pursuant to the Stalking Horse Agreement. However, if a competing bid includes additional assets, the Debtors, in consultation with the Agent and any duly appointed statutory committee under 11 U.S.C. § 1102, retain the discretion to determine which bid is the highest and best bid.

<sup>4</sup> If a bid is for all of the non-Houston operating locations and the Houston operating locations, then the Debtors, in consultation with the Agent and any duly-appointed statutory committee under 11 U.S.C. § 1102, a minimum overbid to be the sum of (i) the total consideration of each Stalking Horse Agreement plus (ii) the sum of each of the Stalking Horse Bid Protections, plus (iii) \$250,000.

U.S.C. § 1102, will not be limited to evaluating the dollar value of the consideration but may also consider other factors including the speed, certainty and value of the proposed transaction), along with an executed written agreement that is substantially identical to the form of the applicable Stalking Horse Agreement with a redline showing any changes from such Stalking Horse Agreement, and (iv) submit to the Debtors financial and other information, including support indicating the availability of funds to satisfy its purchase price, sufficient to allow the Debtors to make a reasonable determination as to such bidder's ability to consummate a sale as contemplated herein (each, a "Qualified Bid").

5. **Due Diligence.** Only Approved Bidders shall be eligible to receive due diligence information and access to the Debtors' electronic data room and to additional non-public information regarding the Debtors. The Debtors will provide to each Approved Bidder reasonable due diligence information, as requested by such Approved Bidder in writing, as soon as reasonably practicable after such request, and the Debtors shall post all written due diligence provided to any Approved Bidder to the Debtors' electronic data room. For all Approved Bidders, the due diligence period will end on the Bid Deadline, and subsequent to the expiration of the due diligence period, the Debtors shall have no obligation to furnish any due diligence information.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale to any person except to an Approved Bidder or to such Approved Bidder's duly authorized representatives to the extent expressly permitted by the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Approved Bidders for additional information and due diligence access; *provided that* the Debtors may decline to provide such information to Approved Bidders who, at such time and in the Debtors' reasonable business judgment after consultation with KeyBank National Association as Agent for certain lenders (the "Agent"), and any statutory committee duly appointed under 11 U.S.C. § 1102, have not established, or who have raised doubt, that such Approved Bidder intends in good faith to, or has the capacity to, consummate the applicable Sale.

The Debtors also reserve the right to withhold any diligence materials that the Debtors determine are sensitive after notifying the Approved Bidder requesting such materials of such determination. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Approved Bidder in accordance with these Bidding Procedures

6. **Due Diligence from Bidders.** Each Approved Bidder/Qualified Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors regarding the ability of the Approved Bidder/Qualified Bidder to consummate the applicable Sale. Failure by an Approved Bidder/Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors to determine, with the consent of the Agent and any duly appointed statutory committee under 11 U.S.C. § 1102, that such bidder is no longer an Approved Bidder/Qualified Bidder or that a bid made by such Qualified Bidder is not a Qualified Bid.

The Debtors and each of their respective advisors and representatives shall be obligated to maintain in confidence any confidential information in accordance with any applicable Confidentiality Agreement, except as otherwise set forth in these Bidding Procedures. Each recipient of confidential information agrees to use, and to instruct its advisors and representatives to use, such confidential information only in connection with the evaluation of Bids during the bidding process or otherwise in connection with these Chapter 11 Cases or in accordance with the terms of any applicable Confidentiality Agreement.

Notwithstanding the foregoing and the provisions contained in any applicable Confidentiality Agreement, the Debtors and the Debtors' advisors may disclose confidential information: (i) with the prior written consent of such bidder and the Debtors; (ii) to the applicable bidder; and (iii) as otherwise required or allowed by any applicable confidentiality agreement with respect to a particular bidder or other agreement, law, court or other governmental order, or regulation, including, as appropriate, to regulatory agencies.

7. **Communications with Qualified Bidders.** Notwithstanding anything to the contrary in these Bidding Procedures, all direct communications between and amongst Approved Bidders or Qualified Bidders shall involve the Debtors and the Debtors' advisors. No Approved Bidder shall communicate with any other potential bidder or Approved Bidder absent prior written consent from the Debtors.

8. **Notice of Qualified Bidders.** Promptly following the bid deadline, the Debtors shall file a notice with the Court identifying all Qualified Bidders. The Debtors shall serve a copy of the notice and the corresponding bids on all Qualified Bidders by (a) facsimile or electronic mail or (b) overnight delivery.

9. **Stalking Horse Bidder(s).** Each Stalking Horse Agreement shall be deemed a Qualified Bid. Each Stalking Horse Bidder is and shall be deemed to be a Qualified Bidder. If no other Qualified Bids are received, each Stalking Horse Bidder shall be deemed the Highest and Best Bid (as defined below) for the Asset Package and the Debtors shall seek approval of a sale to the Stalking Horse Bidders on the terms of the Stalking Horse Agreements at the Sale Hearing.

10. **Auction.** If one or more timely Qualified Bids are received by the Bid Deadline, an auction for the Purchased Assets will be conducted on August 27, 2018, starting at 10:00 a.m. Central Time at the offices of Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002. Only Qualified Bidders may participate in the Auction. The Agent can attend the auction regardless of whether it submits a bid and becomes a Qualified Bidder. If the Agent submits a bid, any requirement in these Bid Procedures that the Debtors have to consult with the Agent about the sale shall terminate with regard to the assets that are the subject of the Agent's bid. All Qualified Bidders, or their authorized representatives with authority to bind the Qualified Bidder, must be physically present at the Auction. At the commencement of the Auction, the Debtors shall announce the bidding order, which shall be based on various factors including the amount of the Qualified Bidder's bid (from low to high). Initial Minimum overbid increments at the Auction shall be in the amount of not less than \$250,000<sup>5</sup> cash (the "Initial

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<sup>5</sup> Subject to footnote four.

Minimum Overbid”). Each bid subsequent to the Initial Minimum Overbid shall be in an incremental amount of not less than \$150,000. At the Debtors’ discretion, in consultation with the Agent, provided that the Agent has not submitted a bid, and any statutory committee duly appointed under 11 U.S.C. § 1102, the Debtors can change or alter the bidding order, the amount of the Initial Minimum Overbid, or any subsequent overbid amount, and allow or disallow Qualified Bidders to pass in any given round and otherwise conduct the Auction in a way that they believe will maximize value. All bidding for the Purchased Assets will be concluded at the Auction and there will be no further bidding at the Sale Hearing.

11. **Selection of the Highest and Best Bid.** At the conclusion of the Auction, in consultation with the Agent, provided that the Agent has not submitted a bid, and any statutory committee duly appointed under 11 U.S.C. § 1102, the Debtors will announce the highest and/or best Qualified Bid submitted by a Qualified Bidder (the “Successful Bidder”) and the next highest and/or best Qualified Bid (the “Back-Up Bid”) submitted by a Qualified Bidder (the “Backup Bidder”) for each applicable Asset Package. The Debtors will seek approval of the Highest and Best Bid(s) at the Sale Hearing. If for any reason, the Qualified Bidder submitting the Highest and Best Bid fails to timely consummate the purchase of the Purchased Assets, the Debtors may seek to consummate a sale based on the Back-Up Bid without further approval by the Court. A Back-Up Bid and the obligation of the party submitting such bid to consummate the purchase of the Purchased Assets shall remain open and in full force, including with respect to the Alternative Bidder’s Deposit, until the close of a sale of the Purchased Assets to the party making the Highest and Best Bid or the party making the Back-Up Bid.

12. **Sale Hearing.** A hearing to approve a sale based on the Highest and Best Bid shall take place on August 28, 2018, at 3:30 p.m. in Courtroom 404, on the fourth floor of the United States Courthouse, 515 Rusk, Houston, Texas 77002.

13. **Deadline to Object to Sale.** All objections to the proposed sale must be filed five (5) days prior to the Sale Hearing.

14. **Return of Deposits.** Within three (3) business days after the conclusion of the Auction, the Debtors shall return by check or wire the full amount of each Alternative Bidder’s Deposit submitted by a party that is not selected as submitting either the Highest and Best Bid or the Back-Up Bid for an applicable Asset Package. If the sale of the Purchased Assets is consummated with the party submitting the Highest and Best Bid, the Alternative Bidder’s Deposit of the party that is declared the Back-Up Bid shall be returned by check or wire transfer within three business days after the closing of the sale to the party submitting the Highest and Best Bid.

15. **Right to Credit Bid.** For purposes hereof, should the Agent submit a credit bid, the Agent shall be deemed to be an Approved Bidder, and any such credit bid shall be considered a Qualified Bid and may be submitted at any time prior to or at the Auction provided that it otherwise complies with the requirements for a Qualified Bid as set forth above, provided that the Agent shall not be entitled to any Bid Protections. The Agent does not have to provide a deposit in order to be an Approved Bidder. Credit bids, if any, by the Agent will not impair or otherwise affect the Stalking Horse Bidders’ entitlement to the Bid Protections granted under the Bidding Procedures Order, provided that if the Agent submits a credit bid that is determined to

be the highest and/or best bid, the Agent consents to any such Bid Protections being added to the DIP budget.

If the Agent elects to credit bid, such credit bid will be: (i) first from the application of any secured obligations outstanding in accordance with the DIP Order, if one is entered, including the funds necessary to pay the Bid Protections, if any, based upon a successful credit bid; and, (ii) second from the application of any obligations secured by the pre-petition liens to the extent that such credit bid is allocated to assets secured by pre-petition liens. Notwithstanding the foregoing, nothing herein is a waiver of or release of any interested parties' right to challenge, or seek to avoid or subordinate the amount, validity, enforceability, extent or priority of the Secured Claim or the Prepetition Liens as set forth in the Interim Order (A) Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code, and Granting Adequate Protection, and (B) Scheduling a Final Hearing of the Continued Use of Cash Collateral [Docket No. 39] and any final order authorizing the use of cash collateral.

The Committee, however, shall have the right to object to the Agent being deemed a Successful Bidder with respect to a Sale to the extent such credit bid does not provide for the payment of administrative expenses allowed in these cases and/or on the basis that a different bid provides better value to the estates.

16. **Notice of Bid Procedures, Auction, and Sale Hearing.** On the next business day following the entry of the Bid Procedures Order, the Debtors will serve by first-class mail a copy of the Order and a notice containing the date of the Bid Deadline, Auction, the Sale Hearing, and the deadline to file objections to the sale to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com) and [llim@reedsmith.com](mailto:llim@reedsmith.com), counsel to the Agent; (d) Cole Schotz, P.C., 301 Commerce Street, Suite 1700, Fort Worth, Texas 76102 (Attn: Michael D. Warner), and via email to [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com) (e) the United States Attorney's Office for the Southern District of Texas; (f) the Internal Revenue Service; (g) any party known to have asserted a Lien on the Purchased Assets; (h) all known affected federal, state, and local regulatory, and taxing authorities; (i) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (j) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; Such notice shall be sufficient and proper notice of the sale with respect to known interested parties.

Dated: Houston, Texas  
August \_\_, 2018

**PORTER HEDGES LLP**

By: /s/ John F. Higgins  
John F. Higgins  
State Bar No. 09597500  
Eric M. English  
State Bar No. 24062714  
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Fax: (713) 228-1331

**PROPOSED COUNSEL FOR DEBTORS  
AND DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

I certify that on August \_\_, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System in the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Eric. M. English* \_\_\_\_\_  
Eric M. English

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**ASSET PURCHASE AGREEMENT**

**by and among**

**NEC BAYTOWN EMERGENCY CENTER, LP,  
NEC BELLAIRE EMERGENCY CENTER, LP,  
NEC CROSBY EMERGENCY CENTER, LP,  
NEC KINGWOOD EMERGENCY CENTER, LP,  
NEC PASADENA EMERGENCY CENTER, LP,  
NEC PEARLAND EMERGENCY CENTER, LP,  
NEC PORTER EMERGENCY CENTER, LP, and  
NEC YORKTOWN EMERGENCY CENTER, LP  
as Operating Sellers**

**NEC BAYTOWN ASSET HOLDINGS, LLC,  
NEC KINGWOOD ASSET HOLDINGS LLC, and  
NEC PEARLAND ASSET HOLDINGS, LLC  
as Owned Real Property Sellers**

**NEIGHBORS LEGACY HOLDINGS, INC.,  
NEIGHBORS GLOBAL HOLDINGS, LLC,  
NEIGHBORS HEALTH, LLC,  
EDMG, LLC, and  
NEIGHBORS PRACTICE MANAGEMENT, LLC  
as Corporate and Shared Services Sellers**

**NEIGHBORS EMERGENCY CENTER, LLC  
as IP Seller**

**and**

**ALTUS HEALTH SYSTEMS OPCO, LLC  
as Opco Buyer**

**ALTUS HEALTH SYSTEM REALTY, LLC  
as Realty Buyer**

**dated**

**July 10, 2018**

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “*Agreement*”) is dated as of July 10, 2018 (the “*Execution Date*”), by and among (i) Altus Health System OpCo, LLC, a Texas limited liability company (“*OpCo Buyer*”), Altus Health System Realty, LLC, a Texas limited liability company (“*Realty Buyer*” and together with OpCo Buyer, the “*Buyers*” and each individually a “*Buyer*”), and (ii) NEC Baytown Emergency Center, LP, a Texas limited partnership, NEC Bellaire Emergency Center, LP, a Texas limited partnership, NEC Crosby Emergency Center, LP, a Texas limited partnership, NEC Kingwood Emergency Center, LP, a Texas limited partnership, NEC Pasadena Emergency Center, LP, a Texas limited partnership, NEC Pearland Emergency Center, LP, a Texas limited partnership, NEC Porter Emergency Center, LP, a Texas limited partnership, and NEC Yorktown Emergency Center, LP, a Texas limited partnership (collectively, the “*Operating Sellers*” and each individually, an “*Operating Seller*”), (iii) NEC Baytown Asset Holdings, LLC, a Texas limited liability company, NEC Kingwood Asset Holdings LLC, a Texas limited liability company, and NEC Pearland Asset Holdings, LLC, a Texas limited liability company (collectively, the “*Owned Real Property Sellers*” and each individually, an “*Owned Real Property Seller*”), (iv) Neighbors Legacy Holdings, Inc., a Texas corporation (“*Seller Parent*”), Neighbors Global Holdings, LLC, a Delaware limited liability company (“*Global Holdings*”), Neighbors Health, LLC, a Texas limited liability company (“*Neighbors Health*”), EDMG, LLC, a Texas limited liability company (“*EDMG*”), and Neighbors Practice Management, LLC, a Texas limited liability company (“*NPM*” and collectively with Seller Parent, Global Holdings, Neighbors Health and EDMG, the “*Corporate and Shared Services Sellers*” and each individually, a “*Corporate and Shared Services Seller*”), and (v) Neighbors Emergency Center, LLC, a Texas limited liability company (the “*IP Seller*” and collectively with the Operating Sellers, the Owned Real Property Sellers, and the Corporate and Shared Services Sellers, the “*Sellers*” and each individually, a “*Seller*”). Buyers and Sellers are sometimes referred to collectively herein as the “*Parties*” and singly as a “*Party*.”

### RECITALS

A. The Operating Sellers are engaged in the business of operating the emergency centers listed on Exhibit A (each a “*Facility*” and collectively, the “*Facilities*,” and the business conducted by the Operating Sellers at such Facilities, the “*Acquired Business*”).

B. The Sellers have been soliciting bids for the Acquired Business, the Transferred Assets (as defined below) and the Specifically Assumed Liabilities (as defined below), and have determined that the offer of Buyers set forth below is the highest and best offer received for the Acquired Business, the Transferred Assets and the Specifically Assumed Liabilities to date and constitutes a fair and adequate purchase price.

C. Promptly after the date hereof, each of the Sellers will file voluntary petitions under Chapter 11 of the Bankruptcy Code (as defined below) in the Bankruptcy Court (as defined below).

D. On the terms and conditions of this Agreement, and as authorized under Sections 363 and 365 of the Bankruptcy Code, the Sellers desire to sell to Buyers, and Buyers desire to

purchase from the Sellers, all of the Transferred Assets, and Buyers are willing to assume all of the Specifically Assumed Liabilities.

NOW, THEREFORE, in consideration of the mutual promises, representations and warranties made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto, intending to be legally bound, and subject only to the required approvals of the Bankruptcy Court, agree as follows:

**ARTICLE 1**  
**DEFINITIONS AND INTERPRETIVE MATTERS**

**Section 1.01**      **Definitions.**

The following terms, as used herein, have the following meanings:

“*365 Contracts*” means, subject to the filing of the Bankruptcy Cases, all Contracts that may be assumed by the Debtors pursuant to Section 365 of the Bankruptcy Code.

“*Accounts Receivable*” means, as of the Effective Time, all accounts receivable, trade receivables, notes receivables and all other receivables, whether accrued, current or overdue, of Sellers, in each case other than intercompany receivables.

“*Acquired Business*” is defined in the Recitals hereto.

“*Adverse Consequences*” means all Proceedings, charges, complaints, demands, injunctions, judgments, orders, decrees, awards, rulings, damages, penalties, fines, costs, reasonable amounts paid in settlement, Liabilities, obligations, Taxes, Liens, losses, expenses and fees, including court costs and reasonable attorneys’ fees and expenses.

“*Affiliate*” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person. For such purposes, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“*Agreement*” is defined in the opening paragraph hereof.

“*Alternative Agreement*” means one or more definitive agreements with respect to one or more Alternative Transactions.

“*Alternative Transaction*” means a transaction or series of related transactions pursuant to which the Sellers sell all or a substantial portion of the Transferred Assets or any group of assets that includes all or a substantial portion of the Transferred Assets, to a Person other than Buyers or an Affiliate of Buyers, as the highest or best offer, in accordance with the Bidding Procedures Order or otherwise, but does not mean the sale of goods or services conducted in a manner consistent with the recent operation of the Acquired Business.

**“Applicable Law”** means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, ordinance, code, rule, regulation, order, injunction or judgment adopted or promulgated by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

**“Assets”** means all assets, properties and rights (including all rights and benefits under Contracts) of every nature, kind, description, tangible and intangible, whether real, personal or mixed, whether accrued, contingent or otherwise, whether now existing or hereinafter acquired, wherever located, and whether or not recorded or reflected, or required to be recorded or reflected, on a balance sheet or the books and records of any Person, and all right, title, interest and claims therein and thereto.

**“Auction”** is defined in Section 5.02(a).

**“Avoidance Actions”** is defined in Section 2.02(l).

**“Back-Up Bid”** is defined in Section 5.02(g).

**“Back-Up Bidder”** is defined in Section 5.02(g).

**“Bankruptcy Cases”** means the proposed bankruptcy cases of the Debtors which are proposed to be filed under Chapter 11 of the Bankruptcy Code with, and jointly administered by, the Bankruptcy Court.

**“Bankruptcy Code”** means Title 11 of the United States Code, as amended.

**“Bankruptcy Court”** means the United States Bankruptcy Court for the Southern District of Texas or any other court having jurisdiction over the Bankruptcy Cases from time to time.

**“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the Southern District of Texas and the Local Rules of the United States Bankruptcy Court for the Southern District of Texas, each as in effect on the Petition Date or as thereafter amended, to the extent applicable to the Bankruptcy Cases or proceedings therein, as the case may be.

**“Bid Protections”** is defined in Section 5.02(c).

**“Bidding Procedures and Sale Motion”** means the motion, substantially in the form of Exhibit B attached hereto, to be filed by the Debtors with the Bankruptcy Court seeking, among other things, entry of the Bidding Procedures Order and the Sale Order.

**“Bidding Procedures Order”** means an order of the Bankruptcy Court, substantially in the form of Exhibit C attached hereto, that approves, *inter alia*, bidding and auction procedures to be followed by the Debtors and all potential bidders for the Transferred Assets.

**“Bill of Sale”** means an instrument, in form and substance reasonably satisfactory to the Debtors and Buyers, assigning, conveying and transferring the Transferred Assets (other than the

Desired 365 Contracts and the Real Property Leases) to OpCo Buyer (or any entity specified by the OpCo Buyer).

“**Business Day**” means any day, excluding Saturdays, Sundays or “legal holidays” (as referenced in Bankruptcy Rule 9006(a)), on which nationally chartered commercial banks are open for business in Houston, Texas.

“**Buyer(s)**” is defined in the opening paragraph of this Agreement and/or, subject to Section 10.05, its successors or assigns.

“**Buyers Material Adverse Effect**” means a material adverse effect on the ability of Buyers to consummate the Transactions or to perform its obligations hereunder and under the other Transaction Documents to which it is or will be a Party.

“**Buyer’s Transferred Employee List**” is defined in Section 6.02(a).

“**Cash Deposits**” means the total amount of any cash and negotiable instruments of the Sellers that constitute deposits securing any performance bonds, surety bonds, letters of credit, guarantees, utility deposits, security deposits or similar assurances outstanding as of the Closing Date.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any rules or regulations promulgated thereunder.

“**Chosen Courts**” is defined in Section 10.08.

“**CHOW**” is defined in Section 5.05(b).

“**Claim**” means a claim as defined in Section 101(5) of the Bankruptcy Code.

“**Closing**” is defined in Section 2.08(a).

“**Closing Date**” means the date of the Closing.

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any similar State law.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Confidentiality Agreement**” means the Confidentiality Agreement dated February 8, 2018, between Project Sphinx and Altus ER Holdco, L.P.

“**Contract**” means any contract, agreement, lease, indenture, note, bond, sale and purchase order, instrument or other commitment, whether oral or written (including any amendments or modifications thereto).

“**Corporate and Shared Services Seller**” is defined in the opening paragraph of this Agreement.

“*Crosby Operating Seller*” means NEC Crosby Emergency Center, LP, a Texas limited partnership.

“*Crosby Specified Leased Real Property*” means the Leased Real Property located at 14120 FM 2100, Crosby, Texas 77532.

“*Cure Costs*” means the amount necessary to cure defaults under any Desired 365 Contract and to compensate the non-debtor party for any actual pecuniary loss resulting from such defaults in order to assume and assign the Desired 365 Contract under Sections 365(a) and 365(f) of the Bankruptcy Code.

“*Debtor*” or “*Debtors*” means any Seller individually, and the Sellers, collectively, following the filing of the Bankruptcy Cases.

“*Desired 365 Contracts*” is defined in Section 5.03(a).

“*Effective Time*” means 12:01 a.m. local time in Houston, Texas on the day after the Closing Date.

“*Employees*” means those Persons employed by the Corporate and Shared Services Sellers who worked primarily for the Acquired Business immediately prior to the Closing, including any such individual on leave of absence.

“*End Date*” is defined in Section 9.01(b).

“*Environmental Laws*” means any Applicable Law or any agreement with any Governmental Authority to which any Seller is a party relating to human health and safety, the environment or to pollutants, contaminants, wastes, chemicals, or toxic or other Hazardous Materials.

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

“*ERISA Affiliate*” of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Internal Revenue Code.

“*ERISA Plan*” means any (i) “employee benefit plans” (as defined in Section 3(3) of ERISA) and any bonus, stock option, stock purchase, restricted stock, equity based, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, change in control or other benefit plans, programs or arrangements, and all employment, termination, severance, any cafeteria plan or any holiday or vacation plan or practice or other contracts or agreements, to which the Corporate and Shared Services Sellers, or any of their ERISA Affiliates is a party, with respect to which the Corporate and Shared Services Sellers, or any of their ERISA Affiliates has any obligation to or which are maintained, contributed to or sponsored by the Corporate and Shared Services Sellers or any of their ERISA Affiliates for the benefit of any Employee or former employee, officer or director of the Sellers, (ii) employee benefit plan for which the Sellers could incur liability under Section 4069 of ERISA in the event such plan has been or were to be terminated and (iii) plan in respect of which the Corporate and Shared Services Sellers could incur liability under Section 4212(c) of ERISA.

“*Escrow Agent*” means Fidelity National Title Insurance Company, 1900 West Loop South, Suite 200, Houston, Texas 77027, Attn: Ms. Debbie Barela.

“*Excluded Contracts and Leases*” is defined in Section 2.02(o).

“*Execution Date*” is defined in the opening paragraph of this Agreement.

“*Final Order*” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, (i) which has not been reversed, stayed, modified, amended, enjoined, set aside, annulled or suspended, (ii) with respect to which no request for a stay, motion or application for reconsideration or rehearing, notice of appeal or petition for certiorari is filed within the deadline provided by applicable statute or regulation or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, and (iii) as to which the deadlines for filing such request, motion, petition, application, appeal or notice referred to in clause (ii) above have expired.

“*GAAP*” means generally accepted accounting principles in the United States, consistently applied in accordance with past practice.

“*Global Holdings*” is defined in the opening paragraph of this Agreement.

“*Governmental Authority*” means any transnational, domestic or foreign federal, state or local, governmental unit, authority, department, court, agency or official, including any political subdivision thereof.

“*Hazardous Materials*” means chemicals, pollutants, radioactive material, contaminants, wastes, toxic or hazardous substances, materials or wastes, petroleum and petroleum products, asbestos or asbestos-containing materials or products, polychlorinated biphenyls, lead or lead-based paints or materials, radon, fungus, mold, mycotoxins, nanoparticles or other substances that may have an adverse effect on human health or the environment.

“*Healthcare Laws*” means any Applicable Law related to the regulation of the healthcare industry (including, but not limited to, the addiction treatment industry, the behavioral health industry, the hospital and other health care facilities industry, the pharmaceuticals industry and the physician practice management industry), the regulation of healthcare professionals (including, but not limited to, physicians and nurses and physician assistants), or to payment for items or services rendered, provided, dispensed, or furnished by healthcare suppliers or providers (including, but not limited to, physician practices, hospitals and other health facilities, physicians and pharmacists and other practitioners).

“*Highest and Best Bid*” is defined in Section 5.02(g).

“*Intellectual Property Rights*” means (i) inventions, reduced to practice or made the subject of one or more pending patent applications, (ii) patents and patent applications (including all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof) registered or applied for throughout the world, all improvements to the inventions disclosed in each such registration, patent or patent application, (iii) trademarks, service marks,

trade dress, logos, domain names, trade names and corporate names (whether or not registered) in all nations throughout the world and all goodwill associated therewith, (iv) copyrights (whether or not registered) and registrations and applications for registration thereof in all nations throughout the world, (v) proprietary computer software, (including source code, object code, firmware, operating systems and specifications), (vi) trade secrets and know-how (including manufacturing and production processes and techniques and research and development information), (vii) databases and data collections, in each case solely to the extent related to seismic and geological data, (viii) copies and tangible embodiments of any of the foregoing, in whatever form, format or medium, (ix) all rights to obtain and rights to apply for patents, and to register trademarks and copyrights, (x) all rights in all of the foregoing provided by treaties, conventions and common law, and (xi) all rights to sue or recover and retain damages and costs and attorneys' fees for past, present and future infringement or misappropriation of any of the foregoing.

**"Interest"** means any right, title, interest, ownership, indicia of title or ownership, right of possession, or other legal, equitable or possessory interest of any kind.

**"Inventory"** means all inventories of supplies, drugs, food, janitorial and office supplies and other disposables and consumables owned by the Operating Sellers located at or within any Facility, and any other goods held for sale or lease or furnished under contracts of service, raw materials, supplies and work in process owned by the Operating Sellers and related to the Acquired Business wherever located, whether or not in transit.

**"IP Seller"** is defined in the opening paragraph of this Agreement.

**"Leased Real Property"** means the parcels of real property of which any Operating Seller is the lessee (together with all fixtures and improvements thereon).

**"Liabilities"** means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any kind or nature, whether accrued or not accrued, absolute or contingent, matured or unmatured, liquidated or unliquidated, known or unknown, asserted or not asserted, determined, determinable or otherwise.

**"Licenses"** means all federal, state and local government authorizations, certificates of authority, certificates of need, provider agreements and licenses.

**"Lien"** means, with respect to any property or asset, any mortgage, lien, interest pledge, security interest, mechanics' lien, materialman's lien, statutory lien or right, whenever granted and including any "lien" as under Bankruptcy Code Section 101(37).

**"Neighbors Health"** is defined in the opening paragraph of this Agreement.

**"Non-Houston Assets"** means all of the "Transferred Assets" as such term is defined in the Non-Houston Purchase Agreement.

**"Non-Houston Buyer"** means the Person that acquires all or a portion of the Non-Houston Facilities and certain related assets and the business conducted by the Non-Houston

Sellers at the purchased Non-Houston Facilities, and assumes certain liabilities related thereto, pursuant to the terms of the Non-Houston Purchase Agreement.

***“Non-Houston Facilities”*** the emergency sellers operated by certain of the Non-Houston Operating Sellers at the following locations: (i) Port Arthur, (ii) Midland, (iii) Odessa, (iv) Amarillo, (v) Eastside, (vi) Brownsville, (vii) Beaumont (subject to the agreement of the Non-Houston Sellers), (viii) Harlingen, (ix) Mueller, (x) Orange, (xi) Texarkana, (xii) McAllen, (xiii) Lubbock and (xiv) Paris.

***“Non-Houston Operating Sellers”*** means, collectively, NEC Port Arthur Emergency Center, LP, a Texas limited partnership, NEC Midland Emergency Center, LP, a Texas limited partnership, NEC Odessa Emergency Center, LP, a Texas limited partnership, NEC Amarillo Emergency Center, LP, a Texas limited partnership, NEC Eastside Emergency Center, LP, a Texas limited partnership, NEC Brownsville Emergency Center, LP, a Texas limited partnership, NEC Beaumont Emergency Center, LP, a Texas limited partnership (subject to inclusion in Non-Houston Purchase Agreement), NEC Harlingen Emergency Center, LP, a Texas limited partnership, NEC Mueller Emergency Center, LP, a Texas limited partnership, NEC Orange Emergency Center, LP, a Texas limited partnership, NEC Texarkana Emergency Center, LP, a Texas limited partnership, NEC McAllen Emergency Center, LP, a Texas limited partnership, NEC Lubbock Emergency Center, LP, a Texas limited partnership, and NEC Paris Emergency Center, LP, a Texas limited partnership.

***“Non-Houston Purchase Agreement”*** means the Asset Purchase Agreement among the Non-Houston Sellers and the Non-Houston Buyer.

***“Non-Houston Real Property Seller”*** means NEC Beaumont Asset Holdings, LLC.

***“Non-Houston Shared Services Sellers”*** means, collectively, Seller Parent, Global Holdings, Neighbors Health, EDMG and NPM.

***“Non-Houston Sellers”*** means, collectively, the Non-Houston Operating Sellers, the Non-Houston Real Property Seller and the Non-Houston Shared Services Sellers.

***“Non-Transferable Assets”*** is defined in Section 5.03(d).

***“NPM”*** is defined in the opening paragraph of this Agreement.

***“OpCo Buyer”*** is defined in the opening paragraph of this Agreement.

***“Operating Seller”*** is defined in the opening paragraph of this Agreement.

***“Organizational Documents”*** means, with respect to any Person, the certificate or articles of incorporation, bylaws, certificate of formation or organization, partnership agreement, limited partnership agreement, operating agreement, limited liability company agreement or any other similar organizational documents of such Person.

***“Owned Intellectual Property Rights”*** means all Intellectual Property Rights owned by the IP Seller.

**“Owned Real Property”** means the parcels of real property of which any Owned Real Property Seller is a fee title owner (together with all fixtures and improvements thereon).

**“Owned Real Property Seller”** is defined in the opening paragraph of this Agreement.

**“Party” or “Parties”** is defined in the opening paragraph of this Agreement.

**“Patient Privacy Requirements”** means the applicable requirements of the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, as amended by the American Recovery and Reinvestment Act of 2009 and the implementing regulations thereunder governing the privacy of individually identifiable health information and the security of such information maintained in electronic form, or of any similar law of Texas.

**“Permits”** means all material governmental (whether federal, state or local) permits, Licenses, franchises, certificates, approvals or other similar authorizations.

**“Permitted Liens”** means (a) non-monetary liens that do not detract from the value of any underlying Transferred Asset or interfere in any material respect with the ability of Buyers to own and operate any underlying Transferred Asset in substantially the manner as owned and operated by the Sellers immediately prior to the Execution Date, (b) in the case of Seller Real Property, zoning, building or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title, and (c) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures.

**“Person”** means any person, entity or Governmental Authority of any nature whatsoever, specifically including an individual, firm, company, corporation, partnership, trust, joint venture, association, joint stock company, limited liability company, estate, unincorporated organization or other entity or organization.

**“Petition Date”** means the date following the Execution Date on which the Sellers file the proposed Bankruptcy Cases with the Bankruptcy Court.

**“Post-Petition Accounts Payable”** means all accounts payable of the Debtors arising after the Petition Date in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date.

**“Post-Petition Accrued Expenses”** means all accrued and unpaid operating expenses of the Debtors arising after the Petition Date in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date.

**“Proceeding”** means any action, claim, demand, audit, hearing, complaint, investigation, litigation, or suit commenced, brought, conducted, or heard by or before any Governmental Authority.

**“PTO Obligations”** means the Liabilities of the Sellers for the accrued vacation, sick, holiday and other paid time off and related Taxes and other payroll obligations of the Transferred Employees outstanding as of the Closing Date.

“*Purchase Price*” is defined in Section 2.06(a).

“*Purchase Price Allocation*” is defined in Section 2.09.

“*Qualified Bid Deadline*” is defined in Section 5.02(e).

“*Real Property Lease*” shall mean any lease or sublease of Leased Real Property.

“*Realty Buyer*” is defined in the opening paragraph hereof.

“*Representatives*” means, with respect to any Person, the officers, directors, employees, members, managers, partners, investment bankers, attorneys, accountants, consultants or other advisors, agents or representatives of such Person, when acting in such capacity on behalf of such Person.

“*Retained Assets*” is defined in Section 2.02.

“*Retained Liabilities*” is defined in Section 2.04.

“*Retained Seller Mark*” means the trademark owned by the IP Seller and registered with the United States Patent and Trademark Office on July 11, 2017 under Registration No. 5239995, as amended.

“*Sale Order*” means an order of the Bankruptcy Court, substantially in the form of Exhibit D attached hereto, that approves, *inter alia*, the sale of the Transferred Assets to Buyers.

“*Seller*” or “*Sellers*” is defined in the opening paragraph of this Agreement.

“*Seller Parent*” is defined in the opening paragraph of this Agreement.

“*Seller Real Property*” means, collectively, the Leased Real Property and the Owned Real Property.

“*Sellers Material Adverse Effect*” means a material adverse effect on (i) the condition (financial or otherwise), business, properties, assets, or results of operations of the Acquired Business, (ii) the ability of the Sellers or the Debtors, as applicable, to conduct the Acquired Business consistent with recent history, or (iii) the ability of the Sellers or the Debtors, as applicable, to perform their obligations under the Transaction Documents in material compliance with the requirements thereof or to consummate the Transactions; *provided, however*, that any such material adverse effect that results from any of the following matters shall be disregarded and shall not be taken into account in determining whether a material adverse effect has occurred under this definition: (A) changes in financial, credit or securities markets generally, including any changes in prevailing interest rates, (B) changes in general economic or political conditions in the United States or regionally, (C) matters identified as having a Sellers Material Adverse Effect in the Schedules to this Agreement, (D) the announcement, pendency or consummation of the sale of the Transferred Assets, (E) the consequences of filing the Bankruptcy Cases and the impact thereof on the condition (financial or otherwise), business, properties, assets, or results of operations of the Acquired Business, (F) actions taken or omissions made after the date of this

Agreement with the express written consent of Buyers, (G) changes resulting from general industry-wide conditions that do not disproportionately affect the Sellers relative to other industry participants, (H) acts of war, sabotage or terrorism or any military action, or threats thereof, or any escalation or worsening of any such acts of war, sabotage, terrorism or military actions threatened or underway as of the Execution Date, in each case, which do not disproportionately affect the Sellers relative to other industry participants, (I) any natural or man-made disaster or acts of God, in each case, which do not disproportionately affect the Sellers relative to other industry participants, and (J) changes in Applicable Law or accounting rules, including GAAP.

“*Sellers’ Knowledge*” means the actual knowledge of the Chief Restructuring Officer of Neighbors Health.

“*Sellers’ Transferred Employee List*” is defined in Section 3.16(a).

“*Specifically Assumed Liabilities*” is defined in Section 2.03.

“*Specified Lease Assignment and Amendment*” is defined in Section 5.03(e).

“*Specified Lease Assignment Deadline*” is defined in Section 5.03(e).

“*Specified Lease Reduction Amount*” means, with respect to the Specified Leased Real Property at (i) 14120 FM 2100, Crosby, Texas 77532, an amount equal to \$2,900,000.00, (ii) 22678 US Hwy 59, Porter, Texas 77365, an amount equal to \$1,140,000.00, and (iii) 5835 Hwy 6 North, Houston, Texas 77084, an amount equal to \$930,000.00.

“*Specified Lease Reduction Option*” is defined in Section 5.03(e).

“*Specified Leased Real Property*” means each of the following Leased Real Properties: (i) 14120 FM 2100, Crosby, Texas 77532, (ii) 22678 US Hwy 59, Porter, Texas 77365, and (iii) 5835 Hwy 6 North, Houston, Texas 77084.

“*Subsidiary*” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at any time directly or indirectly owned by such Person.

“*T-System Contract*” means the Site Opt-In Agreement dated July 22, 2015, between T-System, Inc. and Neighbors Health.

“*T-System Cure Costs*” means the amount necessary to cure defaults under the T-System Contract and to compensate T-System, Inc. for any actual pecuniary loss resulting from such defaults in order to assume and assign the T-System Contract under Sections 365(a) and 365(f) of the Bankruptcy Code.

“*Tax*” or “*Taxes*” means (i) all federal, state, local, foreign and other income, sales, use, ad valorem, withholding, payroll, employment, unemployment, excise, gross receipts, goods and services, add-on minimum, value added, transfer, profits, franchise, license, stamp, custom and

any other similar taxes, duties or like assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto, (ii) in the case of the Sellers, Liability for the payment of any amount of the type described in clause (i) as a result of being or having been before the Closing Date a member of an affiliated, consolidated, combined or unitary group, or a party to any agreement or arrangement, as a result of which Liability of the Sellers to a Governmental Authority is determined or taken into account with reference to the activities of any other Person, and (iii) Liability of the Sellers for the payment of any amount of the type described in (i) or (ii) as a result of any existing express or implied agreement or arrangement (including an indemnification agreement or arrangement) involving the Sellers or any of their Affiliates.

**“Tax Refund”** means any refund, credit, or offset of Taxes attributable to the assets, operations or Acquired Business of the Sellers for periods prior to the Closing Date.

**“Tax Return”** means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

**“Third Party”** means any Person other than a Party or its Affiliates.

**“Trade Name”** means “Neighbors” and all variations thereof, but excluding the Retained Seller Mark.

**“Trade Name License Agreement”** means a definitive Trade Name License Agreement pursuant to which, (i) prior to the Closing, IP Seller, and (ii) at and after Closing, OpCo Buyer, grants Non-Houston Buyer, a royalty-free license and privilege to use the Trade Name, for transitional purposes, until the date that is 180 days following the closing of the Non-Houston Purchase Agreement.

**“Transaction Documents”** means this Agreement, the Bill of Sale, the Trade Name License Agreement, the Transition Services Agreement and any other agreement between or among Buyers and the Sellers that expressly states that it constitutes a Transaction Document for purposes of this Agreement, and all other agreements, documents and instruments entered into by any of the Buyers, on the one hand, and any of the Sellers, on the other hand, as of or after the Execution Date and at or prior to Closing in connection with the Transactions (as each such document, agreement and instrument may be amended, supplemented or modified).

**“Transaction Taxes”** is defined in Section 2.10.

**“Transactions”** means the transactions contemplated by this Agreement and the other Transaction Documents.

**“Transferred Assets”** is defined in Section 2.01.

**“Transferred Employees”** is defined in Section 6.02.

**“Transition Services Agreement”** means a definitive Transition Services Agreement, pursuant to which, (i) if the Non-Houston Purchase Agreement closes prior to the Closing, then

Non-Houston Buyer or one of its Affiliates shall provide certain transition services to OpCo Buyer (or any entity specified by OpCo Buyer), or (ii) if the Non-Houston Purchase Agreement closes on or after the Closing, then prior to the closing of the Non-Houston Purchase Agreement, NPM, and at and after the closing of the Non-Houston Purchase Agreement, Non-Houston Buyer or one of its Affiliates, shall provide certain transition services to OpCo Buyer (or any entity specified by OpCo Buyer), which definitive Transition Services Agreement shall cover the services listed on Exhibit E attached hereto.

“*WARN Act*” means the Workers Adjustment & Retraining Notification Act or any similar State law.

“*Winning Bidder*” has the meaning given to such term in the Bidding Procedures Order.

“*Withholding Taxes*” means all applicable federal, state or local income Taxes and applicable employment (social security, unemployment insurance and Medicare) and other withholding obligations, in each case withheld from Employees Seller prior to Closing.

**Section 1.02 Accounting Terms; Utilization of GAAP for Purposes of Calculations Under Agreement.** Except as otherwise expressly provided in this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Calculations in connection with the definitions, covenants and other provisions of this Agreement shall utilize GAAP, except as otherwise expressly set forth herein.

**Section 1.03 Other Definitional and Interpretative Provisions.** The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The headings and captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein and defined herein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law. The word “or” will have the inclusive meaning represented by the phrase “and/or.” The phrase “and/or” when used in a conjunctive phrase, shall mean any one or more of the Persons specified in or the existence or occurrence of any one or more of the events, conditions or circumstances set forth in that phrase; *provided, however*, that when used to describe the obligation of one or more Persons to do any act, it shall mean that the obligation is the obligation of each of the Persons but that it may be satisfied by performance by any one or

more of them. "Shall" and "will" have equal force and effect. The Parties and their counsel have reviewed the provisions of this Agreement and have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. All references to immediately available funds or dollar amounts contained in this Agreement shall mean United States dollars. If the Bankruptcy Cases are filed prior to the Closing Date, then as of the Petition Date, all references in this Agreement to the "Seller" or the "Sellers" shall be deemed to refer to the "Debtor" or the "Debtors," respectively, to the extent necessary in order to give effect to the intent of the Parties expressed in Section 2.08. THE PARTIES AGREE THAT THE BOLD AND/OR CAPITALIZED LETTERS IN THIS AGREEMENT CONSTITUTE CONSPICUOUS LEGENDS.

## ARTICLE 2 PURCHASE AND SALE

### **Section 2.01      Purchase and Sale of Assets.**

(a) Subject to, and on the terms and conditions of this Agreement, effective at the Effective Time, Buyers shall purchase, acquire and accept from the Sellers, and the Sellers shall sell, convey, transfer, assign and deliver to Buyers, all of the Sellers' right, title and interest in and to all of the assets, properties, rights and interests set forth below solely to the extent related to the Acquired Business, subject in each case to the proviso in Section 2.02 immediately following clause (r) in such Section (the "*Transferred Assets*"):

- (i) all Accounts Receivable of the Operating Sellers;
- (ii) to the extent legally assignable, the Desired 365 Contracts and all of the Sellers' interest under the Desired 365 Contracts;
- (iii) except as and to the extent relating to any Retained Assets or Retained Liabilities and excluding all Avoidance Actions:
  - (A) any insurance proceeds payable pursuant to claims made under insurance Contracts (other than with respect to directors and officers liability insurance) and with respect to matters arising prior to the Effective Time solely to the extent that, as of the Effective Time, such proceeds have not been paid to repair or replace damaged or destroyed property that constitutes Transferred Assets;
  - (B) causes of action, rights of recovery, rights of setoff and rights of recoupment in favor of the Sellers; and
  - (C) all rights in and under all express or implied guarantees, warranties (including manufacturers' warranties), representations, covenants, indemnities and similar rights in favor of the Sellers;

(iv) all equipment (including medical equipment and instruments), furniture, furnishings, computer hardware, communication equipment, supplies, fixtures, leasehold interests, materials, Inventory and other tangible personal property of any kind or type that is owned by the Operating Sellers, used in the Acquired Business and located at or within any Facility;

(v) to the extent legally assignable, all of the IP Seller's Owned Intellectual Property Rights and the goodwill associated herewith, but excluding the Retained Seller Mark;

(vi) all books and records of the Sellers, wherever located, solely to the extent relating to the Transferred Assets, including the following: sales and service records, books of account, invoices, inventory records, accounting records, Tax Returns with respect to the Transferred Assets, environmental records and studies, maintenance records, cost and pricing information, supplier lists, business plans, catalogues, quality control records and manuals, blueprints, research and development files, patent and trademark files; *provided, however*, that the Sellers shall retain a right, and to the extent any of the Transferred Assets include books and records relating to the Non-Houston Assets, Non-Houston Buyer and its Representatives shall have the right, to have reasonable access to and copying of (including through their Representatives) the provisions within such materials related to Retained Assets or Retained Liabilities, the Sellers' rights under the Transaction Documents or that are reasonably required with respect to any audit, investigation or inquiry of any Governmental Authority including Taxing Authorities with respect to periods prior to the Closing; *provided further, however*, that subject to the filing of the Bankruptcy Cases, the Sellers and/or any Person authorized to act on behalf of the Sellers or their bankruptcy estates or to whom Retained Assets are transferred or assigned pursuant to the Bankruptcy Code or the Bankruptcy Rules (including without limitation a trustee, creditors' committee, or liquidating trust (collectively, an "**Authorized Person**")), shall have the right to access and copy any and all books and records of the Sellers as such Authorized Person, in its discretion, deems necessary to enable such Authorized Person to take any and all actions in connection with the Retained Assets as such Authorized Person is entitled and/or required to take under the Bankruptcy Code or the Bankruptcy Rules, including without limitation analyzing, evaluating, litigating, and compromising the Avoidance Actions, subject to any requirements or limitations imposed by the Patient Privacy Requirements;

(vii) to the extent legally assignable, all Licenses and Permits, relating to the ownership or operation of the Transferred Assets in a manner consistent with the recent operation of the Acquired Business;

(viii) all prepaid claims, prepaid expense items and deferred charges, credits, advance payments, security and other deposits (other than for insurance and utilities) made by the Sellers to any other Person relating to the

Transferred Assets, in each case other than to the extent exclusively relating to the Retained Liabilities or Retained Assets;

(ix) all Owned Real Property and all rights in respect of all Leased Real Property;

(x) all third party indemnities related to the Transferred Assets where any Seller is an indemnified party and the proceeds afforded thereby, in each case other than to the extent exclusively relating to the Retained Liabilities or Retained Assets; and

(xi) all claims, rights, defenses, offsets, recoupments, causes of action, credits, immunities or rights of set-off against Buyers, any Affiliates of Buyers and/or Third Parties arising prior to the Effective Time and related to the Transferred Assets, except Avoidance Actions.

(b) Except for Specifically Assumed Liabilities, all Transferred Assets shall, subject to the filing of the Bankruptcy Cases, be conveyed free and clear of all Liens (other than Permitted Liens), Claims, and Interests to the maximum extent allowed by Section 363(f) of the Bankruptcy Code. Subject to the filing of the Bankruptcy Cases, prior to the hearing to approve the Sale Order, Buyers may elect to designate any Transferred Asset as a Retained Asset by written notice to the Seller; *provided, however*, that any such designations by Buyers shall have no effect on Specifically Assumed Liabilities.

**Section 2.02 Retained Assets.** Notwithstanding the foregoing, Buyers shall not acquire, and the Sellers shall retain, all other assets not otherwise included as a Transferred Asset or which are not solely related to the Acquired Business, including the following assets (the "*Retained Assets*");

(a) all Accounts Receivable other than those of the Operating Sellers;

(b) cash and cash equivalents, including bank accounts, Cash Deposits and payments in transit;

(c) the Non-Houston Assets and all of the Sellers' rights under the Non-Houston Purchase Agreement and the Transaction Documents (as such term is defined in the Non-Houston Purchase Agreement;

(d) the equity ownership of any Seller's Subsidiary, including the business of any such Subsidiary that is not a Seller;

(e) all intercompany receivables and other rights to receive payment from Seller Parent or any of its Affiliates (including the Sellers);

(f) all insurance Contracts (including with respect to directors and officers liability insurance) and all rights, claims and proceeds payable thereunder, including deposits, rights to discounts, credits and refunds arising from such insurance Contracts, except to the extent constituting Transferred Assets pursuant to Section 2.01(a)(iii)(A);

(g) all claims, rights, defenses, offsets, recoupments, causes of action, credits, immunities or rights of set-off against Third Parties arising prior to the Effective Time with respect to all Accounts Receivable of the Sellers, the Retained Liabilities or the Retained Assets;

(h) the Organizational Documents of the Sellers and their respective, minute books, stock and ownership records and corporate seals and all other documents and records relating to the organization, maintenance, existence and federal income taxation of the Sellers or their partners;

(i) all Tax Assets, Tax deposits (including funds held by the Sellers in respect of Withholding Taxes or estimated income taxes) and Tax Refunds (except real estate Taxes, if any, being held by the landlords or lenders pertaining to the Facilities);

(j) all deposits for utilities;

(k) all business and financial records, books, ledgers, files, plans, documents, correspondence, lists, and reports that relate solely to Retained Assets or Retained Liabilities;

(l) subject to the filing of the Bankruptcy Cases, all rights, claims, causes of action and recoveries of Debtors under Sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552(b), 553 or 724 of the Bankruptcy Code (collectively, "*Avoidance Actions*") and all proceeds thereof;

(m) all ERISA Plans and assets maintained pursuant or in connection therewith;

(n) all rights, claims, rebates, discounts, credits and professional retainers incurred in connection with the Bankruptcy Cases;

(o) subject to the filing of the Bankruptcy Cases, any executory Contracts or unexpired leases, including the Real Property Leases for each Specified Leased Real Property for which OpCo Buyer, in its sole discretion, has elected to exercise its Specified Lease Reduction Option ("*Excluded Contracts and Leases*"), that are not assumed and assigned to Buyers pursuant to this Agreement, or that are otherwise terminated on or before the Effective Time;

(p) the Retained Seller Mark;

(q) all of the Sellers' rights under the Transaction Documents, including the right to receive the Purchase Price; and

(r) any other assets of the Sellers not solely related to operation of the Acquired Business, including any assets related to the operation of any emergency centers (other than the Facilities) that are operated by Affiliates of Seller Parent and any assets of any emergency centers (other than the Facilities) that were formerly operated by Affiliates of Seller Parent and which are non-operated as of the Execution Date;

*provided, however*, notwithstanding anything in this Agreement to the contrary (including Section 2.01), as to any Specified Leased Real Property for which OpCo Buyer, in its sole

discretion, has elected to exercise its Specified Lease Reduction Option, other than the Crosby Specified Leased Real Property, then with respect to each Operating Seller (other than the Crosby Operating Seller) that is the tenant of such Specified Leased Real Property (other than the Crosby Specified Leased Real Property), the Retained Assets shall include (and the Transferred Assets shall correspondingly exclude) all of such Operating Sellers' right, title and interest in and to all of its assets, properties, rights and interests related to the Acquired Business (including, without limitation, the Specified Leased Real Property, such Operating Seller's Accounts Receivable, and all equipment (including medical equipment and instruments), furniture, furnishings, computer hardware, communication equipment, supplies, fixtures, leasehold interests, materials, Inventory and other tangible personal property of any kind or type that is owned by such Operating Seller, used in the Acquired Business and located at or within such Specified Leased Real Property).

**Section 2.03 Assumption of Liabilities.** OpCo Buyer shall assume, on the terms and subject to the conditions set forth herein, at the Closing and as of the Effective Time, only the following Liabilities of the Sellers and solely to the extent such Liabilities relate to the Acquired Business (collectively, the "*Specifically Assumed Liabilities*"), and no others:

(a) all Liabilities arising after the Effective Time under the Desired 365 Contracts;

(b) (i) the Cure Costs for all Desired 365 Contracts (other than the T-System Contract and the Real Property Leases) up to a maximum amount of Three Hundred Fifty Thousand and No/100 Dollars (\$350,000.00) and (ii) only if OpCo Buyer hereafter elects to assume the T-System Contract, then and in that event the T-System Cure Costs (it being understood that, as of the Execution Date, OpCo Buyer does not intend to assume the T-System Contract);

(c) all Post-Petition Accounts Payable of the Operating Sellers solely to the extent related to the Transferred Assets or the Acquired Business;

(d) all PTO Obligations;

(e) all Post-Petition Accrued Expenses (excluding, except as specified in Section 2.03(d) and in Section 6.02, any Liabilities for payroll expenses and ERISA Plans of the Corporate and Shared Services Sellers) solely to the extent related to the Transferred Assets or the Acquired Business;

(f) all Liabilities incurred in providing COBRA-continuation coverage under Buyer's group health plan with respect to any Employees and their dependents; and

(g) all Liabilities of the Sellers relating to the ownership or operation of the Acquired Business and the Transferred Assets (as specified in clauses (a) – (f) of this Section 2.03) arising after the Effective Time.

**Section 2.04 Retained Liabilities.** Except for the Specifically Assumed Liabilities, Buyers are not assuming, shall not assume, and shall not be responsible for, and the Sellers expressly retain: (a) all Liabilities of the Sellers related to the Retained Assets, whether such

Liabilities arise before or after the Effective Time; (b) any Liabilities of Sellers owing to Seller Parent or any of its Affiliates (including the Sellers) and (c) all other Liabilities of the Sellers whatsoever associated with the Transferred Assets, the Acquired Business or with any other properties, rights, contracts, or other assets of the Sellers, whether presently in existence or arising hereafter, known or unknown, disputed or undisputed, contingent or non-contingent, liquidated or unliquidated, or otherwise (clauses (a), (b) and (c) collectively, the “*Retained Liabilities*”).

**Section 2.05      Good Faith Deposit; Escrow.**

(a) No later than three (3) Business Days after the Execution Date, Buyers shall deposit with the Escrow Agent as a good faith deposit (the “*Deposit*”) an amount equal to One Million Six Hundred Thousand and No/100 Dollars (\$1,600,000.00). The Escrow Agent shall hold the Deposit in an interest bearing account. The Sellers acknowledge and agree that the Deposit shall not be an asset of the Debtors’ bankruptcy estates following the filing of the Bankruptcy Cases. Upon the Closing in accordance with the terms of this Agreement and the Transaction Documents, the Deposit (together with all interest earned thereon) will be applied against the Purchase Price in the manner provided in Section 2.06(b).

(b) If this Agreement is terminated pursuant to Section 9.01, the Parties shall direct the Escrow Agent to return the Deposit (together with all interest earned thereon) to Buyers or to disburse the Sellers as a non-completion fee in accordance with Section 9.02(b) and Section 9.02(c).

(c) The Escrow Agent shall comply with the provisions of this Agreement and shall not disburse the Deposit (or any interest earned thereon) except in accordance with Section 2.05(a) or Section 2.06(b). In no event shall the Escrow Agent be liable, directly or indirectly, for any damages, losses expenses arising out of its compliance with this Section 2.05 and Section 2.06(b) below, other than damages, losses or expenses which result from the Escrow Agent’s fraud, gross negligence or willful misconduct.

**Section 2.06      Purchase Price.**

(a) In consideration of the transfer of the Transferred Assets and in addition to assuming the Specifically Assumed Liabilities as provided above, Buyers agree to pay or cause to be paid to the Sellers the purchase price in the amount of (the “*Purchase Price*”): (i) Thirty-Two Million and No/100 Dollars (\$32,000,000.00) *minus* (ii) with respect to each Specified Leased Real Property for which OpCo Buyer, in its sole discretion, has elected to exercise its Specified Lease Reduction Option, the Specified Lease Reduction Amount attributable to such Specified Leased Real Property.

(b) At the Closing, Buyers will pay or cause to be paid by wire transfer of immediately available funds to the Escrow Agent (to be disbursed by Escrow Agent to the Sellers), an amount equal to the following without setoff, recoupment or other reduction:

- (i) the Purchase Price; *minus*

(ii) the Deposit (together with all interest earned thereon), which shall be disbursed by the Escrow Agent to the Sellers.

**Section 2.07 Filing of Bankruptcy Cases.** Following the Execution Date and prior to the Closing, the Sellers shall file the Bankruptcy Cases with the Bankruptcy Court, and the Transferred Assets shall be conveyed by the Debtors free and clear of all Liens, Claims and Interests, other than Permitted Liens, to the maximum extent allowed by Section 363(f) of the Bankruptcy Code. Accordingly, subject to the filing of the Bankruptcy Cases, the Sellers obligation to consummate the transactions set forth in this Agreement (including the sale, conveyance, transfer, assignment and delivery to Buyers of the Transferred Assets) on the Closing Date will be subject to the entry of a Bidding Procedures Order and a Sale Order, each of which shall be a Final Order, by the Bankruptcy Court. Further, for purposes of clarification, with respect to the representations made by the Debtors on the Closing Date in Article 3, all references to “Seller” or the “Sellers” shall be deemed to refer to the “Debtor” or the “Debtors,” respectively.

**Section 2.08 Closing; Closing Deliveries.**

(a) The closing of the Transactions (the “*Closing*”) shall take place at the offices of the Escrow Agent, 1900 West Loop South, Suite 200, Houston, Texas 77027 commencing at 10:00 a.m. on the date that is three (3) Business Days following the satisfaction or written waiver of the conditions of Closing set forth in Article 8 hereof (other than those conditions which by their terms are not to be satisfied until the Closing, but subject to the waiver or fulfillment of those conditions), or such other date or location as the Parties may mutually determine. The Closing and all documentation delivered at Closing shall be effective as of the Effective Time.

(b) At the Closing, unless waived by the Sellers, Buyers shall deliver, or execute and deliver, as applicable, to the Escrow Agent:

- (i) the Bill of Sale, duly executed by OpCo Buyer;
- (ii) the Transition Services Agreement, duly executed by OpCo Buyer;
- (iii) the Trade Name License Agreement, duly executed by OpCo Buyer;
- (iv) the Purchase Price in the manner provided in Section 2.06(b);
- (v) the certificate required to be delivered by Buyers under Section 8.03(c), duly executed by Buyers;
- (vi) all other documents, certificates, instruments or writings reasonably requested by Buyers in connection herewith; and
- (vii) all applicable sales/use Tax resale certificates and sale-for-lease exemption certificates dated on or before the Closing Date from Buyers certifying the exempt, excluded, or otherwise nontaxable nature of the transfer

of all Inventory included among the Transferred Assets for sales/use Tax purposes.

(c) At the Closing, unless waived by Buyers, the Sellers shall deliver or cause to be delivered, or execute and deliver, as applicable, to Escrow Agent:

(i) the Bill of Sale, duly executed by the Sellers;

(ii) the Transition Services Agreement, duly executed by NPM; *provided*, that if the transactions contemplated by the Non-Houston Purchase Agreement have closed or are scheduled to close prior to the Closing, the Sellers shall deliver to Buyer an assignment and assumption agreement pursuant to which Non-Houston Buyer agrees to perform the obligations of NPM under the Transition Services Agreement to which NPM is a party from and after the closing of the Non-Houston Purchase Agreement;

(iii) if the transactions contemplated by the Non-Houston Purchase Agreement have closed or are scheduled to close prior to the Closing, the Trade Name License Agreement, duly executed by Non-Houston Buyer or its Affiliate;

(iv) a Special Warranty Deed, duly executed by the Owned Real Property Sellers, transferring the Owned Real Property to the Realty Buyer;

(v) the certificate required to be delivered by the Sellers under Section 8.02(c), duly executed by the Sellers;

(vi) affidavits meeting the requirements of Treasury Regulation § 1.1445-2(b)(2), duly executed by the Sellers;

(vii) a properly completed Texas Comptroller of Public Accounts Form 01-917, Statement of Occasional Sale, in the aggregate covering the conveyances of the Transferred Assets by Sellers to Buyers hereunder;

(viii) a certified copy of the Sale Order, which order shall be a Final Order; and

(ix) all other documents, certificates, instruments or writings reasonably requested by Buyers in connection herewith.

**Section 2.09 Allocation of Purchase Price.** The Sellers and Buyers agree that the Transactions will be treated as an asset acquisition for tax purposes. Within thirty (30) calendar days after the Closing Date, Buyers shall prepare and provide a proposed allocation of the Purchase Price among the Transferred Assets (the "*Purchase Price Allocation*") to the Sellers. Such proposed Purchase Price Allocation shall be in accordance with Section 1060 of the Code and final and binding on the Parties unless, within thirty (30) calendar days after Buyers provide such proposed Purchase Price Allocation, the Sellers notify Buyers of their disagreement with any item in such proposed allocation. In the event of such notification, the Sellers and Buyers

shall negotiate in good faith to resolve such dispute; *provided, however*, that if the Sellers and Buyers cannot resolve such dispute within thirty (30) calendar days then they shall be entitled to file separate allocations. Any allocation of the Final Purchase Price agreed to pursuant to this section shall be binding on Buyers and the Sellers for all Tax reporting purposes except that neither Party shall be unreasonably impeded in its ability and discretion to negotiate, compromise and/or settle any Tax audit, claim, or similar proceedings. The Purchase Price Allocation shall be for tax purposes only, and the Purchase Price Allocation shall not have any effect on any other distribution or disbursement of monies to secured or unsecured creditors in any of the Bankruptcy Cases, if applicable.

**Section 2.10 Transfer Taxes.** All federal, state and local transfer Taxes, including all state and local Taxes in connection with the transfer of the Transferred Assets, and all recording and filing fees (collectively, "***Transaction Taxes***") that may be imposed by reason of the sale, transfer, assignment and delivery of the Transferred Assets, and are not exempt under Section 1146(a) of the Bankruptcy Code shall be borne one hundred percent (100%) by Sellers. Transaction Taxes do not include any Tax in the nature of an income tax, including any capital gains, franchise, excise, inheritance, estate, succession, or gift taxes. The Sellers and Buyers shall cooperate to minimize any such Transaction Taxes and to determine appropriate taxing authorities and amount of Transaction Taxes, if any, payable in connection with the Transactions. The Sellers shall assist Buyers reasonably in the preparation and filing of any and all required returns for or with respect to such Transaction Taxes with any and all appropriate taxing authorities.

**Section 2.11 Title Reports, Surveys and other Owned Real Property Information.** Prior to the Execution Date, the Owned Real Property Sellers have provided to Buyers the following with respect to the Owned Real Property:

- (a) title reports with respect to each parcel of Owned Real Property prepared as of a recent date prior to the Execution Date;
- (b) existing surveys, if in the possession of the Owned Real Property Sellers, with respect to each parcel of Owned Real Property;
- (c) a copy of property Tax statements for the Owned Real Property for the most recent two (2) tax years; and
- (d) if in the possession of the Owned Real Property Sellers, a copy of all maps, plats, easements, utility information and agreements, permits, licenses, certificates of occupancy, zoning letters, soil reports and tests, correspondence with or from all Governmental Authorities with authority over the Owned Real Property, environmental site assessments and studies, engineering reports, hazardous material reports, appraisal reports, and other similar matters relating to the Property.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLERS**

The Sellers represent and warrant to Buyers as of the Execution Date, and the Debtors represent and warrant to Buyers as of the Closing Date, as follows.

**Section 3.01 Corporate Existence and Power.** The Sellers are duly organized and existing under the laws of their jurisdiction of organization.

**Section 3.02 Authorization.** On the Execution Date, the execution, delivery and performance by the Sellers of this Agreement and the other Transaction Documents dated the Execution Date to which the Sellers are a party and the consummation of the Transactions have been duly authorized by all necessary action on the part of the Sellers. As of the Closing Date, subject to the filing of the Bankruptcy Cases and the entry of the Sale Order by the Bankruptcy Court, this Agreement and each other Transaction Document to which the Debtors will be a party on the Closing Date (assuming in each case due authorization, execution and delivery thereof by the other parties thereto) constitute valid and binding agreements of the Debtors, enforceable against the Debtors in accordance with their terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

**Section 3.03 Governmental Authorization.** The execution, delivery and performance by the Sellers of this Agreement and each other Transaction Document to which they are or will be parties and the consummation by the Sellers of the Transactions require no action by or in respect of, or filing with or notification to, any Governmental Authority other than, subject to the filing of the Bankruptcy Cases following the Execution Date, the filing of appropriate pleadings and notices with the Bankruptcy Court, the entry of the Bidding Procedures Order and the Sale Order by the Bankruptcy Court, the approval of this Agreement by the Bankruptcy Court and as specifically provided in this Agreement.

**Section 3.04 Title to Transferred Assets.** As of the Closing Date, subject to the filing of the Bankruptcy Cases and the entry of the Sale Order by the Bankruptcy Court, the Debtors shall deliver to Buyers (i) good and marketable title to all of the Transferred Assets (other than Owned Real Property and the Leased Real Property), (ii) a valid leasehold interest in the Leased Real Property, and (iii) good and indefeasible title to the Owned Real Property, in each case free and clear of all Liens (other than Permitted Liens), Claims and Interests to the maximum extent permitted by Section 363(f) of the Bankruptcy Code, other than Specifically Assumed Liabilities.

**Section 3.05 Brokerage Fees.** Except as set forth on Schedule 3.05, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Sellers or the Debtors which is or will be entitled to any fee, commission or other compensation in connection with the Transactions.

**Section 3.06 365 Contracts.** Schedule 3.06 contains a correct and complete list of all 365 Contracts that are material to the operation of the Acquired Business. The Sellers have made available to Buyers true, correct and complete copies of each such 365 Contract. Except for those 365 Contracts indicated by an asterisk on Schedule 3.06, none of the Sellers is the licensor of any intellectual property, including any trademarks or any other property that could be the subject of an election under Section 365(n) of the Bankruptcy Code.

**Section 3.07**      **Taxes.**

(a) All material Tax Returns required to have been filed by or with respect to the Sellers have been filed (taking into account any extension of time to file granted or obtained) and such Tax Returns are true, correct and complete in all material respects;

(b) Except as set forth on Schedule 3.07(b), all material Taxes required to have been paid by or with respect to the Sellers have been paid, other than Taxes of the Sellers the payment of which is prohibited or stayed by the Bankruptcy Code;

(c) There are no Liens with respect to Taxes on any of the Transferred Assets of the Sellers, other than such Liens that will be released upon entry of the Sale Order, as applicable; and

(d) The Sellers have not received any written notice of any pending or threatened assessment of Taxes, or any audits, examinations, investigations, or other proceedings in respect of Taxes or Tax Returns of the Sellers.

**Section 3.08**      **Transactions with Affiliates.** Schedule 3.08 sets forth a complete and correct list of all transactions to or by which the Sellers, on the one hand, and any Affiliate of the Sellers, on the other hand, are a party or are otherwise bound or subject, and by which any of the Transferred Assets are bound or subject.

**Section 3.09**      **Compliance with Laws.** The Sellers are in compliance in all respects with the requirements of Applicable Laws (other than Healthcare Laws, as to which the Sellers' sole representations and warranties are set forth in Section 3.10, and Environmental Laws, as to which the Sellers' sole representations and warranties are set forth in Section 3.14), except (a) for matters of non-compliance that would not reasonably be expected to have a Sellers Material Adverse Effect, (b) instances in which such requirement of Applicable Law is being contested in good faith by appropriate proceedings diligently conducted, or (c) where compliance with such Applicable Law is excused or stayed by the Bankruptcy Code or by order of the Bankruptcy Court.

**Section 3.10**      **Healthcare Laws.**

(a) The Sellers are currently in material compliance with all applicable Healthcare Laws. No Seller has received notice from any Governmental Authority of any pending or threatened Proceeding, or any circumstances or facts which could give rise thereto, involving the Sellers, their assets or any physician employed or engaged by the Sellers with respect to any applicable Healthcare Law.

(b) Each Seller is in possession of all Permits, notices or other authorizations necessary or required under any Healthcare Law for such Seller to own, lease and operate its properties and to carry on the Acquired Business and activities as currently conducted, except as would not, individually or in the aggregate, reasonably be expected to result in a Sellers Material Adverse Effect. To Sellers' Knowledge, each Permit that is held by a Seller is valid and in full force and effect, and no revocation, withdrawal, rescission, suspension, modification, termination or cancellation of any such Permit is pending or threatened.

**Section 3.11 Legal Proceedings.** Except (a) as set forth on Schedule 3.11, (b) for the Bankruptcy Cases and (c) for any matters that otherwise will not be resolved by the Sale Order without any Liability or restriction applicable to (or adverse effect on) Buyers or the Transferred Assets, there is no Proceeding of any nature pending or, to any Seller's Knowledge, threatened against or by such Seller (i) relating to or affecting the Transferred Assets or the Specifically Assumed Liabilities, (ii) if determined or resolved adversely in accordance with the plaintiff's demands, would reasonably be expected to have, individually or in the aggregate, a Sellers Material Adverse Effect, (iii) in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions, or (iv) affects the execution and delivery by the Sellers of this Agreement and the other Transaction Documents to which the Sellers are or will be a party.

**Section 3.12 Absence of Restrictions and Conflicts.** The execution, delivery and performance by the Sellers of this Agreement and the other Transaction Documents to which the Sellers are or will be a party and the consummation by the Sellers of the Transactions do not and will not (a) contravene, conflict with, or result in any violation or breach of any provision of the Sellers' Organizational Documents, (b) assuming compliance with the matters referred to in Section 3.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, or (c) assuming compliance with the matters referred to in Section 3.03, require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Sellers are entitled under any provision of any Contract binding upon the Sellers or by which the Transferred Assets may be bound or any Permit affecting, or relating in any way to, the Sellers, the Transferred Assets or the Acquired Business, with only such exceptions, in the case of each of clauses (b) or (c), as has not had and would not reasonably be expected to result in, a Seller Material Adverse Effect.

**Section 3.13 Intellectual Property.**

(a) The Sellers own, or have the licenses or rights to use, all Intellectual Property Rights that are necessary to operate the Acquired Business as currently conducted, including with respect to the Trade Name, except where the failure to so own, or to have any such license or right, would not reasonably be expected to result in a Seller Material Adverse Effect.

(b) The IP Seller has not received from any Third Party a claim in writing that the IP Seller is infringing in any material respect the Intellectual Property Rights of such Third Party, except for the Retained Seller Mark.

**Section 3.14 Environmental.**

(a) To the Sellers' Knowledge, the Acquired Business has been conducted in compliance with all applicable Environmental Laws, except for such noncompliance as would not, individually or in the aggregate, reasonably be expected to result in a Sellers Material Adverse Effect.

(b) No Seller has received any written notice or demand letter from any Governmental Authority or Third Party, indicating that such Seller is in violation of, or liable under, any Environmental Law, which violation or liability has not heretofore been resolved with such Governmental Authority or Third Party and which violation or liability would reasonably be expected to result, individually or in the aggregate, in a Sellers Material Adverse Effect.

(c) (i) No Seller has owned, leased or operated a site that pursuant to CERCLA or any similar state or foreign Law, has been placed or is proposed to be placed by any Governmental Authority on the "National Priorities List" or similar state or foreign list, as in effect as of the Closing Date, and (ii) except as would not reasonably be expected to result in a Sellers Material Adverse Effect, no Seller has been identified by any Governmental Authority as a potentially responsible party under CERCLA or any analogous state Law with respect to any site, and no Hazardous Materials generated, transported or disposed of by or on behalf of any Seller have been found at any site where a Person has made written demand on any Seller to conduct or pay for a remedial investigation, removal or other response action pursuant to any applicable Environmental Law.

### **Section 3.15 Real Property.**

(a) Schedule 3.15(a) sets forth a correct and complete legal description of the Owned Real Property together with the owner thereof. Upon entry of the Sale Order by the Bankruptcy Court, the applicable Debtor, as listed on Schedule 3.15(a), will have good and indefeasible fee simple title to the Owned Real Property, subject only to Permitted Liens.

(b) Schedule 3.15(b) sets forth a correct and complete legal description of the Leased Real Property. Upon entry of the Sale Order by the Bankruptcy Court, the applicable Debtor, as listed on Schedule 3.15(b), will have a valid leasehold interest in the Leased Real Property, and the leases granting such interests will be in full force and effect.

(c) No portion of the Seller Real Property, or any building or improvement located thereon, violates any Applicable Law, including those Applicable Laws relating to zoning, building, land use, environmental, health and safety, fire, air, sanitation and noise control, except as set forth on Schedule 3.15(c) and for such violations as would not reasonably be expected to result in a Sellers Material Adverse Effect. Except as set forth on Schedule 3.15(c) and for the Permitted Liens and Liens that will be released at or prior to the Closing, no Seller Real Property is subject to (i) any decree or order of any Governmental Authority (or, to the Sellers' Knowledge, threatened or proposed order) or (ii) any rights or way, building use restrictions, exceptions, variances, reservations or limitations or any nature whatsoever.

(d) The Owned Real Property Sellers now have good and indefeasible fee simple title to the Owned Real Property, and no other party has any rights in, or to acquire, the Owned Real Property. To the Sellers' Knowledge, there are no private land use restrictions (excluding any applicable zoning ordinances) affecting the Owned Real Property which prohibit the Owned Real Property from being used as an emergency room or emergency center.

(e) To the Sellers' Knowledge, there have been no assessments for public improvements which have been made against or which affect the Owned Real Property and which

have not heretofore been completed, assessed and paid, and there have been no public improvements which have been planned or ordered to be made against or which affect the Owned Real Property. Except as set forth on Schedule 3.15(e), the Owned Real Property Sellers have not received any written notice of a proposed increase in the assessed value of the Owned Real Property or any Taxes or assessments affecting the Owned Real Property. To the Sellers' Knowledge, the Owned Real Property Sellers have not been receiving any special Tax treatment for the Owned Real Property or any special use or reduced valuation for the Owned Real Property or any special use or reduced valuation for the Owned Real Property.

(f) Except as set forth on Schedule 3.15(f), there are no suits, actions or proceedings (including any proposed zoning changes or condemnation proceedings) pending or, to the Sellers' Knowledge, threatened that affect the Owned Real Property.

(g) Except as set forth on Schedule 3.15(g), the Owned Real Property Sellers have received no written notices of any claims, demands, litigation, proceedings or governmental investigations, pending or threatened, against or related to the Owned Real Property or which could affect the Owned Real Property Sellers' interest in the Owned Real Property or the Owned Real Property Sellers' ability to perform its obligations under the Contract concerning the Owned Real Property.

(h) To the Sellers' Knowledge, there are not now, nor have there ever been, any underground or leaking tanks, including associated piping, on, under or at the Owned Real Property. Except as set forth on Schedule 3.15(h), neither the Owned Real Property Sellers, the Operating Sellers, nor any agent, employee or representative thereof, have caused or permitted materials to be disposed of on, under or at the Owned Real Property, which materials, if known to be present, would require cleanup, removal or some other remedial action under any Environmental Law. Except as set forth on Schedule 3.15(h), the Owned Real Property Sellers have not received written notice of any violation of any Environmental Law on the Owned Real Property which may directly or indirectly affect the Owned Real Property. To the Sellers' Knowledge, no Hazardous Materials have been released or discharged onto the Owned Real Property by the Owned Real Property Sellers or the Operating Sellers or at the Owned Real Property Sellers' and the Operating Sellers' direction, or to the Sellers' Knowledge, by any other Person.

(i) On the date of the Closing, the Owned Real Property shall be free of any lease or other right of possession or claim of right of possession by any person or entity other than Realty Buyer.

### **Section 3.16 Employment and Labor.**

(a) On or prior to the Execution Date, the Sellers provided OpCo Buyer with a complete and accurate list of all Employees of each Acquired Business as of the Execution Date (the "*Sellers' Transferred Employee List*"), which list shall be updated prior to the Closing in accordance with Section 6.02.

(b) The Sellers are not a party to, bound by, any collective bargaining or other agreement with a labor organization representing any of the Employees. Since the date of their respective formation, there has not been, nor, to the Sellers' Knowledge, has there been any

threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting any Seller or any of the Employees.

**Section 3.17 No Other Representations or Warranties.** Except for the representations and warranties contained in this Article 3 (as modified by the Schedules hereto), none of the Sellers or any other Person makes any express or implied representation or warranty with respect to the Sellers, the Acquired Business, the Transferred Assets, the Specifically Assumed Liabilities or the Transactions, and each Seller disclaims any other representations and warranties, whether made by any Seller, any Affiliate of the Sellers or any of their respective Representatives. Except for the representations and warranties contained in this Article 3 (as modified by the Schedules hereto), the Sellers expressly disclaim and negate any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Transferred Assets or the Specifically Assumed Liabilities (including any implied or express warranty of merchantability or fitness for a particular purpose).

#### **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYERS**

Buyers represent and warrant to the Sellers, as of the Execution Date and as of the Closing Date, that:

**Section 4.01 Corporate Existence and Power.** OpCo Buyer is a Texas limited liability company existing and in good standing under the laws of Texas and has full power and authority to carry on its business as now conducted. Realty Buyer is a Texas limited liability company existing and in good standing under the laws of Texas and has full power and authority to carry on its business as now conducted.

**Section 4.02 Authorization.** The execution, delivery and performance by each of the Buyers of this Agreement and the other Transaction Documents to which it is or will be a party and the consummation of the Transactions are within the powers of Buyers and have been duly authorized by all necessary action on the part of Buyers. Each of this Agreement and the other Transaction Documents to which any of the Buyers are party have been duly executed and delivered on behalf of Buyers, and (assuming in each case due authorization, execution and delivery thereof by the other parties thereto) constitutes a valid and binding agreement of Buyers, enforceable against Buyers in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

**Section 4.03 Governmental Authorization.** The execution, delivery and performance by Buyers of this Agreement and each other Transaction Document to which Buyers are or will be a party and the consummation by Buyers of the Transactions require no action by or in respect of, or filing with or notification to, any Governmental Authority other than, subject to the filing of the Bankruptcy Cases following the Execution Date, the filing of appropriate pleadings and notices with the Bankruptcy Court, the entry of the Bidding Procedures Order and the Sale Order by the Bankruptcy Court, and the approval of this Agreement by the Bankruptcy Court or as specifically provided in this Agreement.

**Section 4.04 Healthcare Laws.** OpCo Buyer has the power and authority to consummate the Transactions, to assume and maintain all Permits included in the Transferred Assets and to operate the Facilities, all in accordance with all applicable Healthcare Laws. To OpCo Buyer's knowledge, there is no reason that any such Permit or filing, consent or approval of or by any Governmental Authority that is or will be necessary for the operation of the Facilities by OpCo Buyer following the closing will not be provided by or obtained from such Governmental Authority without material conditions.

**Section 4.05 Legal Proceedings.** As of the Execution Date, there is no Proceeding (or any basis therefor) pending against, or, to the knowledge of Buyers, threatened against or affecting Buyers, any present or former officer, director or employee of Buyers or any other Person for whom Buyers may be liable or any of its respective properties, that, (a) if determined or resolved adversely in accordance with the plaintiff's demands, would reasonably be expected to have, individually or in the aggregate, a Buyers Material Adverse Effect, (b) in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions, or (c) affects the execution and delivery by Buyers of this Agreement and the other Transaction Documents to which either Buyer is or will be a party.

**Section 4.06 Absence of Restrictions and Conflicts.** The execution, delivery and performance by Buyers of this Agreement and the other Transaction Documents to which any of the Buyers is or will be a party and the consummation by Buyers of the Transactions do not and will not (a) contravene, conflict with, or result in any violation or breach of any provision of the Buyers' Organizational Documents, (b) assuming compliance with the matters referred to in Section 4.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, or (c) assuming compliance with the matters referred to in Section 4.03, require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Buyers are entitled under any provision of any Contract binding upon Buyers or by which its assets may be bound or any Permit affecting, or relating in any way to, Buyers or the assets or business of Buyers, with only such exceptions, in the case of each of clauses (b) and (c), as has not had and would not reasonably be expected to result in, a Buyers Material Adverse Effect.

**Section 4.07 Financing.** Buyers have, and will have at Closing, sufficient cash and available lines of credit and other sources of available funds to enable it to perform all of its obligations under this Agreement and the other Transaction Documents to which they will be a party, including to pay the Purchase Price in accordance with the terms of this Agreement.

**Section 4.08 Arm's Length.** This Agreement and each of the other Transaction Documents to which Buyers are party were negotiated, proposed and entered into between the Sellers and Buyers without collusion or fraud of any kind, in good faith and from arm's-length bargaining positions.

**Section 4.09 Finders' Fees.** There is no investment banker, broker, finder or other intermediary which has been or will be retained by or authorized to act on behalf of Buyers

which is or will be entitled to any fee, commission or other compensation in connection with the Transactions.

## ARTICLE 5 PRE-CLOSING COVENANTS OF THE PARTIES

**Section 5.01 Conduct of the Acquired Business.** From the Execution Date until the Closing or, if earlier, the termination of this Agreement, except (i) as otherwise required or permitted by this Agreement or any of the other Transaction Documents, (ii) as required by any Contract existing as of the Execution Date to which a Seller is a party and which has been made available to Buyers and which has not been rejected prior to Closing, (iii) as required by any Applicable Law or any Governmental Authority or any requirements or, subject to the filing of the Bankruptcy Cases, limitations resulting from the Bankruptcy Cases or orders from the Bankruptcy Court, or (iv) as otherwise consented to in writing by Buyers (such consent not to be unreasonably withheld, conditioned or delayed), the Sellers agree that they shall:

(a) use commercially reasonable efforts to conduct the Acquired Business in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date;

(b) use commercially reasonable efforts to maintain all of the tangible Transferred Assets in their current condition, reasonable wear and tear excepted;

(c) comply with Applicable Laws, except for matters of non-compliance as would not reasonably be expected to have a Sellers Material Adverse Effect;

(d) maintain their books and records in the usual, regular and ordinary manner;

(e) not merge or consolidate with or into any legal entity, dissolve, liquidate, or otherwise terminate its existence;

(f) not sell, lease, assign, transfer or otherwise dispose of any material assets or properties that would be Transferred Assets if retained by Sellers at the Effective Time, other than (i) Inventory and materials sold, consumed or otherwise disposed of in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date and (ii) assets or properties that relate to or are used in the performance of shared services provided by any of the Sellers to any of the other Sellers or their Affiliates;

(g) not assume, assign, reject, terminate or materially amend any executory contract or unexpired lease that is a Desired 365 Contract;

(h) not fail to keep in full force and effect present insurance policies, binders, contracts, instruments or other comparable insurance benefiting the assets of the Sellers and the conduct of the Acquired Business;

(i) not enter into any agreement or execute an instrument that materially adversely affects title to the Owned Real Property without the prior review and approval of the Realty Buyer;

(j) not enter into, create, incur or assume any obligation, take any other action, or enter into any agreement with respect to any Transferred Assets or Specifically Assumed Liabilities, in any case which are other than in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date; and

(k) not commit or agree, whether in writing or otherwise, to take any action prohibited by this Section 5.01.

**Section 5.02 Bankruptcy Filings and Bidding Procedures.**

(a) No later than July 19, 2018, the Sellers shall file petitions commencing the Bankruptcy Cases, and no later than three (3) days after the Petition Date, the Sellers shall file the Bidding Procedures and Sale Motion pursuant to Sections 363 and 365 of the Bankruptcy Code seeking entry of the Bidding Procedures Order approving, among other things, (i) the bidding procedures set forth in the Bidding Procedures and Sale Motion, including the establishment of the Qualified Bid Deadline (as defined below), (ii) the schedule for an auction (the "**Auction**") and a hearing to consider approval of the sale of the Transferred Assets, (iii) the Bid Protections (as defined below), and (iv) the form and manner of notice of the proposed Transactions.

(b) The Sellers shall use commercially reasonable efforts to obtain entry of the Bidding Procedures Order, which Bidding Procedures Order shall be reasonably acceptable to Buyers.

(c) If, and to the extent, so provided in Section 9.02(d), Buyers shall be entitled to an amount equal to three percent (3%) of the Purchase Price, and Buyers' reasonable, documented out-of-pocket fees, costs and expenses (the "**Reimbursable Expenses**") incurred, owed or paid to Third Parties in an aggregate amount not greater than Three Hundred Twenty Thousand and No/100 Dollars (\$320,000.00) (including investment adviser fees and expenses, investment banking and financing fees and expenses, attorneys' fees and expenses, consulting fees and expenses, accounting fees and expenses and Buyers' out-of-pocket expenses) in the evaluation of a bid for the Acquired Business, the Transferred Assets and the Specifically Assumed Liabilities, the negotiations and execution of this Agreement and the other Transaction Documents, and efforts related to consummation of the transaction contemplated hereby (the "**Bid Protections**"); *provided, however*, Buyers shall present supporting documentation with respect to all Reimbursable Expenses for which it desires reimbursement. Any dispute regarding the reasonableness of the Bid Protections shall be resolved by the Bankruptcy Court.

(d) The Sellers and their respective Affiliates and Representatives shall be permitted to market and solicit inquiries, proposals, offers or bids from, any Person other than Buyers regarding an Alternative Transaction, and may take any other affirmative action in connection therewith (including (i) entering into any Alternative Agreement (or letter-of-intent with respect thereto), (ii) issuing press releases, placing advertisements or making other releases or disclosures in connection therewith), or (iii) seeking approval of the Bankruptcy Court for any Alternative Transaction), and nothing in this Agreement will, or is intended to, in any way be deemed to restrict such actions or efforts. None of the Sellers nor any of their respective Affiliates or Representatives shall have any liability to Buyers or any of its Affiliates or

Representatives, either under or relating to this Agreement or any Applicable Law, by virtue of entering into or seeking Bankruptcy Court approval of such an Alternative Agreement (or letter-of-intent with respect thereto) provided that Buyers are paid the Bid Protections to the extent required to be paid pursuant to Section 9.02(d) at the time provided for therein.

(e) The bidding procedures set forth in the Bidding Procedures Order shall require that all “qualified bids” (as determined pursuant to the Bidding Procedures Order) be submitted by no later than August 17, 2018 (the “**Qualified Bid Deadline**”).

(f) The bidding and auction procedures set forth in the Bidding Procedures Order shall require the following: (a) any proposed Alternative Agreement shall be in the form of this Agreement, shall be accompanied by a good faith deposit of One Million Six Hundred Thousand and No/100 Dollars (\$1,600,000.00), and shall provide for a purchase price equal to the sum of Buyer’s Purchase Price *plus* the Bid Protections as calculated in Section 5.02(c) *plus* Three Hundred Twenty Thousand and No/100 Dollars (\$320,000.00). The Highest and Best Bid for the Transferred Assets, as determined in accordance with the Bidding Procedures Order, shall be for a purchase price of at least Thirty-Three Million Five Hundred Thirty Thousand and No/100 Dollars (\$33,530,000.00).

(g) The Auction shall take place no later than three (3) Business Days following the Qualified Bid Deadline. At the conclusion of the Auction, the Sellers will announce the highest and/or best qualified bid (the “**Highest and Best Bid**”) submitted by a Qualified Bidder (as defined in the Bid Procedures Motion) and the next highest and/or best qualified bid (the “**Back-Up Bid**”) submitted by a Qualified Bidder (the “**Back-Up Bidder**”). The Sellers will seek approval of the Highest and Best Bid at the hearing on the Bidding Procedures and Sale Motion. If for any reason, Buyers are selected as the Back-Up Bidder, and the Qualified Bidder submitting the Highest and Best Bid fails to timely consummate the purchase of the Transferred Assets, the Sellers may seek to consummate a sale to Buyers pursuant to this Agreement without further approval by the Bankruptcy Court. If Buyers are selected as the Back-Up Bidder, its Back-Up Bid and the obligation of Buyers to consummate the Transactions shall remain open and in full force, including with respect to the Deposit, until the close of a sale of the Transferred Assets to the Person making the Highest and Best Bid.

(h) The hearing to approve the Sale Order shall take place no later than six (6) Business Days following the Qualified Bid Deadline.

(i) The Sellers shall use reasonable efforts to (i) obtain entry of the Sale Order, and (ii) cause the Sale Order to become a Final Order prior to the End Date.

(j) If entry of the Bidding Procedures Order, the Sale Order or any other orders of the Bankruptcy Court relating to the Transactions shall be appealed or otherwise challenged by any party (including by petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument), the Sellers agree to diligently oppose such appeal, challenge, petition or motion and to use all commercially reasonable efforts to obtain an expedited resolution of any such appeal, petition or motion.

**Section 5.03      Assumption and Rejection of Executory Contracts and Leases.**

(a) Attached hereto as Schedule 5.03 is the list of the 365 Contracts that, as of the Execution Date, Buyers desire to be assumed by the Sellers and assigned to Buyers (collectively, the “*Desired 365 Contracts*”). Not later than fifteen (15) days after the Petition Date, the Sellers shall provide Buyers with a schedule of the Cure Costs with respect to the 365 Contracts (including the Desired 365 Contracts) as of the Petition Date. At any time prior to three (3) days before the Qualified Bid Deadline, Buyers may (i) designate any 365 Contract that has not been rejected as a Desired 365 Contract and (ii) remove the designation of any 365 Contract as a “Desired 365 Contract,” in each case by providing the Sellers with an updated Schedule 5.03 clearly identifying such updated designation(s). Promptly upon Buyers being selected as the Winning Bidder, Buyers shall take all necessary action to effect the assumption by Sellers of any Desired 365 Contract and assignment to Buyers in accordance with the Bankruptcy Code at the Closing, such assumption to be effective as of the Effective Time.

(b) At the Closing, Buyers shall pay (i) all Cure Costs with respect to the Desired 365 Contracts (other than the T-System Contract and the Real Property Leases) and (ii) only if OpCo Buyer hereafter elects to assume the T-System Contract, then and in that event, the T-System Cure Costs, in each case subject to the limitations in Section 2.03(b). Buyers will provide evidence of adequate assurance (but not any personal guaranty of any obligations) of future performance of all of the Desired 365 Contracts so that all Desired 365 Contracts can be assumed by Buyers at the Closing in accordance with the provisions of Section 365 of the Bankruptcy Code and this Agreement; *provided*, however, that if Buyers are unable to provide evidence of adequate assurance of future performance as to any Desired 365 Contract, then Schedule 5.03 shall be deemed to be amended to remove any such Desired 365 Contract; *provided, further*, that failure to provide evidence of such adequate assurance shall not be deemed to give rise to a failure of any condition of Buyers to consummation the Closing under Article 8. In that regard, Buyers acknowledge and agree that Buyers may have to provide information regarding Buyers, as well as a financial commitment of performance by Buyers with respect to the Desired 365 Contracts from and after the Closing to demonstrate adequate assurance of the performance of the Desired 365 Contracts.

(c) The Sellers agree to provide to Buyers a copy of any motion, notice, application or other court document filed with, and any proposed orders submitted to, the Bankruptcy Court seeking authorization to assume or reject any Desired 365 Contract, enter into, amend or waive any provision of any Contract, other than as permitted under Section 5.01, in advance of filing (with a reasonable opportunity to review and comment on same) all of which must be, prior to filing, in form and substance reasonably satisfactory to Buyers in all material respects.

(d) Notwithstanding anything to the contrary contained in this Agreement, if the sale, conveyance, assignment or transfer, or attempted sale, conveyance, assignment or transfer, to Buyers of any License, Permit, certificate, approval, authorization, agreement, contract, lease, or other commitment included in the Transferred Assets (“*Non-Transferable Assets*”) is determined by the Bankruptcy Court to be nonassignable without consent (other than of an Affiliate of Sellers, in which case such Seller covenants and agrees to cause such Affiliate to render such consent), the Closing shall proceed, but the Closing shall not constitute the sale,

conveyance, assignment, transfer or delivery or assumption of any such Non-Transferable Asset, and this Agreement shall not constitute a sale, conveyance, assignment, transfer or delivery or assumption of any such Non-Transferable Asset, unless and until such consent is obtained; *provided, however*, the Sellers shall use commercially reasonable efforts to obtain any such consents related to the Non-Transferable Assets, and Buyers and Sellers shall reasonably cooperate with each other in any arrangement commercially reasonable to provide that Buyers shall receive the interest of the Sellers in the benefits under any such Non-Transferable Asset until such time as such consents shall have been obtained, and each of the Buyers and Sellers shall reasonably cooperate with the other party in any such commercially reasonable arrangement, including performance by the Sellers as agent if commercially reasonable to Buyers.

(e) With respect to each Specified Leased Real Property, by no later than five (5) Business Days prior to the Qualified Bid Deadline (a “*Specified Lease Assignment Deadline*”), Sellers shall deliver to OpCo Buyer an assignment and assumption of lease, landlord’s consent and amendment of lease (a “*Specified Lease Assignment and Amendment*”), duly executed by the applicable Operating Seller and the applicable landlord, pursuant to which (i) such Operating Seller assigns its leasehold interest in such Specified Leased Real Property to the OpCo Buyer (or any entity specified by the OpCo Buyer) and (ii) such landlord agrees to amend the existing lease with respect to such Specified Leased Real Property to accomplish the following: the initial term of such Real Property Lease shall be five (5) years, with the lessee having two options to extend the term of such Real Property Lease for five (5) year periods; *provided, however*, with respect to any Specified Leased Real Property, if a Specified Lease Assignment and Amendment is not delivered by the Specified Lease Assignment Deadline, OpCo Buyer, in its sole discretion, may elect by written notice delivered to Sellers by no later than one (1) Business Day following the Specified Lease Assignment Deadline to either (y) waive the requirement of Sellers to deliver such Specified Lease Assignment and Amendment or (z) reduce the Purchase Price by an amount equal to the Specified Lease Reduction Amount attributable to such Specified Leased Real Property and designate all of the Transferred Assets of the Operating Seller that is the tenant under such Specified Leased Real Property as Retained Assets (the “*Specified Lease Reduction Option*”), other than the Transferred Assets of the Crosby Operating Seller which shall remain Transferred Assets notwithstanding OpCo Buyer’s exercise of its Specified Lease Reduction Option with respect to the Crosby Specified Leased Real Property.

**Section 5.04** **Access to Information.** From the Execution Date until the Closing and subject to Applicable Law (including Patient Privacy Requirements), the Sellers shall (a) give to Buyers and their Representatives reasonable access during normal business hours to the offices, properties, books and records of the Sellers (including Tax Returns with respect to the Transferred Assets), and (b) instruct their Representatives to cooperate with Buyers in its investigations; *provided, however*, that in no event shall any Person be obligated to provide any information the disclosure of which would cause the loss of any legal privilege available to any Person relating to such information or would cause any Person to breach a confidentiality obligation to which it is bound. Any investigation pursuant to this Section 5.04 shall be conducted in such manner as not to interfere unreasonably with the conduct of the Acquired Business of the Sellers or their Representatives.

**Section 5.05      Commercially Reasonable Efforts; Further Assurances.**

(a) Subject to the terms and conditions of this Agreement and subject to the Bankruptcy Code and any orders of the Bankruptcy Court, Buyers and the Sellers each shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the Transactions, including (i) finalizing, executing and delivering all Transaction Documents prior to the Closing, (ii) preparing and filing as promptly as practicable with any Governmental Authority or other Third Party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, and (iii) obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any Governmental Authority or other Third Party that are necessary, proper or advisable to consummate the Transactions; *provided, however*, that the reasonable efforts of any Party hereto shall not include (A) except as expressly set forth in this Agreement, entering into any settlement, undertaking, consent decree, stipulation or agreement with any Governmental Authority in connection with the Transactions or (B) divesting or otherwise holding separate (including by establishing a trust or otherwise) any assets of the Sellers or Buyers. Prior to the Closing Date, the Sellers shall provide Buyers with an updated list of all Employees, by location, who have suffered an “employment loss” (as defined in the WARN Act) during the three (3) month period prior to the Closing Date. The Sellers and Buyers shall execute and deliver or cause to be executed and delivered such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the Transactions in accordance with the terms and conditions of this Agreement.

(b) To the extent required under Applicable Law or any Healthcare Laws, Buyers shall file with applicable Governmental Authorities documentation notifying such Governmental Authorities of a change of ownership (“*CHOW*”) of the Facilities effective as of the Closing Date. The Sellers shall assist and cooperate with Buyers to take all actions necessary to transfer the Permits (to the extent transferable) for the Facilities, including the filing of CHOW documents as the seller, and any other governmental approvals necessary for Buyers to operate the Facilities in the same manner as the Sellers.

**Section 5.06      Notices of Certain Events.** Each of the Sellers, on the one hand and Buyers, on the other hand, shall promptly notify the other of:

(a) any written notice or other communication received by it from any Person alleging that the consent of such Person is or may be required in connection with the Transactions;

(b) any written notice or other communication received by it from any Governmental Authority in connection with the Transactions;

(c) any Proceedings commenced or, in the case of the Sellers, to Sellers’ Knowledge, or in the case of Buyers, to their knowledge, threatened against, relating to or involving or otherwise affecting the Sellers or Buyers, respectively, as the case may be, that, if

pending on the date of this Agreement, would have been required to have been disclosed pursuant to any section of this Agreement or that relate to the consummation of the Transactions;

(d) in the case of the Sellers, the damage or destruction by fire or other casualty of any material assets used in the Acquired Business or any material asset used in the Acquired Business becomes the subject of any Proceeding or, to Sellers' Knowledge, threatened Proceeding for the taking thereof or any part thereof or of any right relating thereto by condemnation, eminent domain or other similar governmental action;

(e) any inaccuracy of any representation or warranty contained in this Agreement at any time during the term hereof that could reasonably be expected to cause the conditions set forth in Section 8.02(b) and Section 8.03(b) not to be satisfied, in the case of Buyers, to its knowledge, or in the case of the Sellers, to Sellers' Knowledge; and

(f) any failure of that Party to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it hereunder; *provided, however,* that the delivery of any notice pursuant to this Section 5.06 shall not limit or otherwise affect the remedies available hereunder to the Party receiving such notice.

## ARTICLE 6 POST-CLOSING COVENANTS OF BUYERS

**Section 6.01** Access. Buyers, following the Closing, and subject to Applicable Law (including Patient Privacy Requirements), shall give to the Sellers and their Representatives reasonable access during normal business hours to the offices, books and records relating to Sellers, the Acquired Business and operations, the Transferred Assets and the Specifically Assumed Liabilities for any and all periods prior to or including the Closing Date as the Sellers and their Representatives may reasonably request and to make copies of the same in connection with (a) the preparation of Tax returns or information returns, (b) reports or other obligations by the Sellers to Governmental Authorities, (c) with respect to the administration of the Bankruptcy Cases or the winding-down of the Debtors' bankruptcy estates, (d) pursuing, prosecuting, or commencing litigation on Avoidance Actions, (e) objecting to proofs of claims or administrative expense claims, and (f) any final determination of any audit or examination, Proceeding, or determination; *provided, however,* that the obligation of Buyers to so accommodate the Sellers and their Representatives shall be subject to (A) reasonable notice from the Sellers of any request for information, (B) the Sellers' agreement to reimburse Buyers for their out-of-pocket expenses of such accommodation, (C) non-interference with the ordinary conduct of business of Buyers, and (D) the right of Buyers to refuse any request for information that would result in a loss of privilege or constitute a breach of any confidentiality obligation of Buyers. Buyers shall preserve all such books and records for a period of seven (7) years after the Closing or such longer period as may be required by Patient Privacy Requirements; *provided, however,* that Buyers shall have the right at any time after the second anniversary of the Closing Date to request in writing that the Sellers (so long as the Sellers are in existence) take any such records and, if they do not agree to take such records within ninety (90) Business Days after receipt of the request, Buyers may dispose of such records, subject to Patient Privacy Requirements. Buyers shall, and shall cause their Representatives to, abide by the terms of the Confidentiality Agreement with respect to any access or information provided pursuant to this Section 6.01.

**Section 6.02      Employee Matters.**

(a) Not later than fifteen (15) days prior to the anticipated Closing Date, the Sellers shall provide OpCo Buyer with an updated Sellers' Transferred Employee List that identifies all Employees of the Acquired Business as of the date of such updated list. On or after the Closing Date and subject to satisfaction of OpCo Buyer's employment screening procedures and requirements, OpCo Buyer shall offer employment to each Employee engaged in the Acquired Business and identified on the updated Sellers' Transferred Employee List, upon such terms and conditions as OpCo Buyer may determine in its sole discretion (the "***Transferred Employees***"), subject to this Section 6.02. The Corporate and Shared Services Sellers shall cooperate with OpCo Buyer in permitting OpCo Buyer to interview, on a voluntary basis, the Employees so as to determine whether such Employees satisfy OpCo Buyer's hiring requirements and to communicate any information concerning employment offers and potential employment with OpCo Buyer prior to the Closing Date so that any Employees who are hired by OpCo Buyer may commence employment on the Closing Date. Not less than ten (10) days before the Closing Date, OpCo Buyer shall provide the Sellers with a list of the Transferred Employees to be hired by OpCo Buyer at Closing (the "***OpCo Buyer's Transferred Employee List***"), which schedule shall identify all Transferred Employees other than those that did not satisfy OpCo Buyer's screening procedures and hiring requirements. Effective as of the Closing Date, the Sellers shall terminate the employment of any Employees identified on the OpCo Buyer's Transferred Employee List.

(b) Except with respect to the Specifically Assumed Liabilities, Buyers shall not assume, and the Corporate and Shared Services Sellers shall retain, any liability or obligation whatsoever of the Corporate and Shared Services Sellers relating to any of the ERISA Plans. Buyer shall be responsible for group health continuation coverage under COBRA with respect to all Employees and their dependents and any other individual who is an "M & A qualified beneficiary" within the meaning of Treasury Regulation Section 54.4980B-9, Q&A-4 in connection with the Transactions and associated with the Transferred Assets notwithstanding that the Corporate and Shared Services Sellers or any of their ERISA Affiliates may continue a group health plan after Closing. The Corporate and Shared Services Sellers shall cause any ERISA Plan that is maintained solely for the benefit of Employees and their dependents and which does not cover any other employees of Sellers, their Affiliates or their ERISA Affiliates to be terminated at Closing.

(c) Each offer of employment by Buyer to an Employee pursuant to this Section 6.02 shall initially provide each Transferred Employee with (i) total target annual cash compensation which is not substantially less favorable, on an aggregate basis, to either (A) the base salary (or hourly wages, if applicable) provided by the applicable Seller to such Employee immediately prior to the Effective Time, or (B) a market-rate base salary (or hourly wages, if applicable), as determined by Buyer in its sole and absolute discretion; and (ii) other employee benefits (excluding equity incentive compensation) which are not substantially less favorable, in the aggregate, to the employee benefits (excluding equity incentive compensation) provided to similarly-situated employees of Buyer, subject to the terms, conditions and eligibility requirements of any plan providing for such benefits. For purposes of eligibility and vesting under each benefit plan of Buyer in which such Transferred Employees are eligible to participate following the Closing Date, Transferred Employees will be given credit for all service with the

Sellers, and any Subsidiaries or predecessor employers for which the Sellers credited service, *provided* such credit is permitted under the terms of the applicable plans and does not result in duplication of benefits or the accrual of benefits under a defined benefit pension plan. Buyer will give each Transferred Employee credit for such Transferred Employee's balance of paid time off with the Corporate and Shared Services Sellers as of the Closing Date.

(d) The Sellers will remain responsible for all Liabilities with respect to wages, salaries and employer's and employee's Withholding Taxes for the Transferred Employees that are accrued but unpaid after the Petition Date (excluding the PTO Obligations which shall be an Assumed Liability pursuant to Section 2.03) and for all Liabilities with respect to claims by Transferred Employees or their eligible dependents for health, accident, sickness, and disability benefits that are accrued but unpaid after the Petition Date (excluding any Liabilities under COBRA for Employees and their dependents). Except as may be required under COBRA, Buyers shall have no obligation or responsibility for any claims for health, accident, sickness, and disability benefits that are incurred prior to or on the Petition Date by any Employees or their eligible dependents, or in the case of Employees who are not Transferred Employees or their eligible dependents both before and after the Closing Date. Subject to limitations imposed by Applicable Law, with respect to the employee welfare benefit plans maintained by Buyers following the Closing Date in which the Transferred Employees are eligible to participate, Buyers shall use commercially reasonable efforts to (i) waive, or cause to be waived, any limitations on benefits relating to waiting periods, pre-existing condition exclusions or actively at work requirements, except to the extent that such waiting period, exclusions or requirements applied to the Transferred Employee under the corresponding ERISA Plan and (ii) recognize any deductibles and other eligible expenses that were incurred by such Transferred Employees in the plan year in which the Effective Time occurs with respect to satisfying any deductibles or out-of-pocket maximums applicable to such Transferred Employee during the applicable plan year of the comparable OpCo Buyer benefit plan, to the extent such recognition would have been given under comparable ERISA Plans prior to the Effective Time.

(e) Prior to the Closing Date, the Sellers shall be solely responsible for complying with the WARN Act and any and all obligations under other Applicable Laws requiring notice of plant closings, relocations, mass layoffs, reductions in force or similar actions (and for any failures to so comply), in any case, applicable to Employees as a result of any action by the Sellers or any of their Affiliates prior to the Closing Date. OpCo Buyer shall be solely responsible for WARN Act Liabilities applicable to the Employees that are incurred on or after the Closing Date, including with respect to any Employee terminated prior to the Closing Date that, when aggregated with any Employee is not hired or who is terminated on or after Closing or for which any WARN Act Liability is incurred, results in WARN Act Liability with respect to such Employee terminated prior to Closing.

(f) Nothing in this Agreement is intended to confer on any entity or individual who is not a party to this Agreement any rights whatsoever. This Section 6.02 shall not constitute an amendment to any employee benefit plan maintained by Opco Buyer or a Seller, create any third party beneficiary rights, or inure to the benefit of or be enforceable by, any employee or any Person representing the interests of employees.

**Section 6.03** **Trade Name License Agreement and Transition Services Agreement.** Commencing promptly following the Execution Date, Sellers and OpCo Buyer shall negotiate in good faith on the terms of the Trade Name License Agreement and the Transition Services Agreement and shall use commercially reasonable efforts to finalize the definitive forms of such agreements by no later than the date of the hearing of the Bidding Procedures and Sale Motion.

**ARTICLE 7**  
**POST-CLOSING COVENANTS OF THE PARTIES**

**Section 7.01** **Certain Filings.** The Sellers and Buyers shall cooperate with one another (a) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the Transactions and (b) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

**Section 7.02** **Public Announcements.** The Sellers and Buyers agree that the consent (as to both form and content) of each other Party shall be obtained prior to issuing any press release or making any public statement with respect to this Agreement or the other Transaction Documents or the Transactions. Notwithstanding the foregoing, subject to the filing of the Bankruptcy Cases, the Sellers may file this Agreement and the other Transaction Documents with the Bankruptcy Court upon execution of this Agreement if they determine that such filing is appropriate and/or may inform the Bankruptcy Court of the existence and terms of this Agreement.

**Section 7.03** **Confidentiality.** Buyers acknowledge and agree that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Buyers pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to Closing, the Confidentiality Agreement and the provisions of this Section 7.03 shall nonetheless continue in full force and effect. This Agreement will be filed with the Bankruptcy Court, will be distributed as an exhibit to the Bidding Procedures and Sale Motion and may be included or summarized in such pleadings and documents, and that any such disclosures shall not violate this section. The Parties also agree that such disclosure or any other permitted disclosure in Section 7.03 shall not be deemed to violate any confidentiality obligations owing to any Party, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise. Notwithstanding the foregoing, this Section 7.03 shall not in any way limit, to the extent required by Applicable Law, the disclosure of information by the Sellers in connection with the administration of the Bankruptcy Cases, pursuant to any provision of the Bankruptcy Code or any order of the Bankruptcy Court.

**Section 7.04** **Mail and Other Post-Closing Inquiries.** The Sellers authorize Buyers on and after the Closing Date to receive and to open all mail received by Buyers relating to any of the Retained Assets or the Retained Liabilities. The Sellers shall promptly deliver to Buyers any mail or other communication received by the Sellers after the Closing Date pertaining to any of the Transferred Assets or the Specifically Assumed Liabilities. Buyers shall promptly deliver

to the Sellers all other mail or communications received by Buyers or their Affiliates that relate to the Retained Assets or Retained Liabilities or to possible violations of Section 362 of the Bankruptcy Code.

**Section 7.05** **Post-Closing Collection of Accounts Receivable.** After the Closing Date, Buyers shall have the right and authority to collect for their own account all Accounts Receivable that are included in the Transferred Assets. Sellers shall promptly transfer and deliver to Buyers any cash or other property which such Sellers may receive in respect of such Accounts Receivable that constitute Transferred Assets and any other amounts received by Sellers that constitute Transferred Assets for any period after the Closing Date.

## ARTICLE 8 CONDITIONS TO CLOSING

**Section 8.01** **Conditions to Obligations of Buyers and Sellers.** The obligations of Buyers and the Sellers to consummate the Closing are subject to the satisfaction of each of the following conditions:

(a) No Applicable Law shall prohibit the Transactions or the consummation of the Closing;

(b) All actions by or in respect of or filings with any Governmental Authority required to permit the consummation of the Closing shall have been taken, made or obtained; and

(c) No Proceeding instituted by any Governmental Authority shall be pending and no injunction, order, decree or judgment of any Governmental Authority of competent jurisdiction shall be in effect, in each case which seeks to or does, as applicable, prohibit, restrain or enjoin the consummation of the Transactions; *provided, however*, that the Party seeking to rely on this Section 8.01(c) as a basis not to consummate the Closing must have used commercially reasonable efforts to cause such Proceeding to have been dismissed or resolved in favor of the Parties or to prevent the entry of such injunction, order, decree or judgment.

**Section 8.02** **Conditions to Obligations of Buyers.** The obligation of Buyers to consummate the Closing is subject to the satisfaction (or waiver by Buyers) of each of the following further conditions:

(a) The Sellers shall have performed in all material respects all of their covenants and agreements hereunder required to be performed by them on or prior to the Closing Date;

(b) The representations and warranties of the Sellers set forth in Article 3 of this Agreement shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, disregarding any materiality, Sellers Material Adverse Effect or similar qualifiers, other than those representations and warranties that are made as of a specific earlier date which representations need not be true and correct as of the Closing Date but must be true and correct in all material respects as of such specific earlier date; *provided, however*, that the condition to Closing set forth in this Section 8.02(b) shall be deemed to be satisfied unless individually or in the aggregate, the effect of all breaches, inaccuracies and

failures of such representations and warranties to be true and correct in all respects would reasonably be expected to result in a Sellers Material Adverse Effect;

(c) Buyers shall have received a certificate signed by an executive officer of Sellers with respect to the items set forth in Sections 8.02(a) and (b);

(d) There shall not have been any event causing a Sellers Material Adverse Effect;

(e) The Sellers shall have delivered or be prepared to deliver all of the items required by Section 2.08 and all other items required to be delivered by the Sellers as of the Closing Date pursuant to the terms and conditions of this Agreement;

(f) [intentionally omitted]; and

(g) The Sale Order, in form and substance reasonably acceptable to Buyers, shall have been entered by the Bankruptcy Court prior to the Closing and such order shall be a Final Order and in full force and effect.

**Section 8.03** Conditions to Obligations of the Sellers. The obligation of the Sellers to consummate the Closing is subject to the satisfaction (or waiver by the Sellers) of the following further conditions:

(a) Buyers shall have performed in all material respects all of their covenants and agreements hereunder required to be performed by them at or prior to the Closing Date;

(b) The representations and warranties of Buyers in Article 4 of this Agreement shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, disregarding any materiality, Buyers Material Adverse Effect or similar qualifiers, other than those representations and warranties that are made as of a specific earlier date which representations need not be true and correct as of the Closing Date but must be true and correct in all material respects as of such specific earlier date; provided, however, that the condition to Closing set forth in this Section 8.03(b) shall be deemed to be satisfied unless individually or in the aggregate, the effect of all breaches, inaccuracies and failures of such representations and warranties to be true and correct in all respects would reasonably be expected to result in a Buyers Material Adverse Effect; and

(c) Sellers shall have received a certificate signed by an executive officer of Buyers with respect to the items set forth in Sections 8.03(a) and (b);

(d) Buyers shall have delivered or be prepared to deliver all of the items required by Section 2.08 and all other items required to be delivered by Buyers as of the Closing Date pursuant to the terms and conditions of this Agreement; and

(e) The Sale Order in form and substance reasonably acceptable to Sellers, shall have been entered by the Bankruptcy Court prior to the Closing and such order shall be a Final Order and in full force and effect.

## ARTICLE 9 TERMINATION

**Section 9.01** **Grounds for Termination.** Subject to the penultimate sentence of this Section 9.01, this Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of the Sellers and Buyers;

(b) by either the Sellers or Buyers if the Closing shall not have been consummated on or before October 31, 2018 (as extended, the “*End Date*”); *provided, however*, that if the Closing shall not have occurred on or before such date due to a material breach of any representation, warranty, covenants or agreements contained in this Agreement by Buyers, on one hand, or the Sellers, on the other, then the breaching Party may not terminate this Agreement pursuant to this Section 9.01(b); *provided, further*, that if the condition set forth in Section 8.01(b) shall not have been satisfied or duly waived by the fifth (5<sup>th</sup>) Business Day prior to October 31, 2018, then either Sellers or Buyers may, by written notice delivered to the other Parties, extend the End Date to a date not later than December 31, 2018 (and in the case of such extension, any reference to the End Date in any other provision of this Agreement shall be a reference to the End Date, as extended);

(c) by either the Sellers or Buyers if there shall be any Applicable Law that makes consummation of the Transactions illegal or otherwise prohibited or if consummation of the Transactions would violate any nonappealable final order, decree or judgment of any Governmental Authority having competent jurisdiction;

(d) by Buyers if:

(i) the Sellers shall have failed to perform or comply with any of their covenants or agreements or shall have breached any of their representations and warranties, such that the conditions set forth in Section 8.02(a) and Section 8.02(b) shall not be satisfied, and the Sellers shall have not cured such breaches and failures within fifteen (15) days after receipt of written notice from Buyers with the result that such condition remains unsatisfied;

(ii) any condition set forth in Section 8.01 or Section 8.02 shall have become incapable of being satisfied by the End Date;

(iii) the Sellers fail to consummate the Transactions, Buyers have otherwise complied with all of Buyers’ obligations under this Agreement, and all of the conditions contained in Section 8.01 and Section 8.03 have been satisfied;

(iv) any event has caused a Sellers Material Adverse Effect;

(v) the Bankruptcy Cases are dismissed or converted to cases under Chapter 7 of the Bankruptcy Code or the Bankruptcy Court enters a Final Order appointing a trustee or an examiner with expanded powers (beyond those

set forth under Section 1106(a)(3) of the Bankruptcy Code) in the Bankruptcy Cases prior to the Closing Date;

(vi) if any of the following deadlines shall have been missed; *provided, however,* that the deadline set forth in Section 9.01(d)(vi)(A) shall be subject to the Bankruptcy Court's docket, and accordingly, (I) shall be deemed extended through the date of the hearing set by the Bankruptcy Court for consideration of the applicable pleading if, after using reasonable efforts, the Sellers are unable to obtain a docket setting for such hearing prior to such deadline, (II) shall be deemed extended through the date(s) of any continued hearing set by the Bankruptcy Court for consideration of such pleading if, after using reasonable efforts, the Sellers are unable to conclude such hearing(s) prior to such deadline, and (III) shall be deemed extended as required to comply with any notice periods required under the Bankruptcy Code which, as a result of any extensions described under the foregoing clauses (I) and (II), cannot be complied with prior to such deadline:

(A) the Sale Order does not become a Final Order by the End Date, unless the Sale Order is entered by the End Date but is not stayed by order of the Bankruptcy Court or of some other federal district or appeals court;

(B) the Bankruptcy Court enters an order for the appointment of a trustee or examiner with managerial powers, other than at the request of the Buyers or any of its Affiliates, under Section 1104 of the Bankruptcy Code and such trustee or examiner takes any action to interfere with or impair the transactions contemplated by this Agreement;

(C) the Bankruptcy Cases are converted to cases under Chapter 7 of the Bankruptcy Code, dismissed, or any similar commencement of liquidation proceedings relating to the Sellers occurs, other than as contemplated herein;

(D) any of the Sellers executes an Alternative Agreement or takes affirmative steps to effect an Alternative Transaction; *provided* that this Agreement may not be terminated pursuant to this clause if and for so long as Buyers are the Back-Up Bidder; or

(E) Buyers are not the Winning Bidder at the Auction pursuant to the Bidding Procedures Order; *provided* that this Agreement may not be terminated pursuant to this clause if and for so long as Buyers are the Back-Up Bidder; or

(e) by the Sellers:

(i) if Buyers shall have failed to perform or comply with any of its covenants or agreements or shall have breached any of its representations and warranties, such that the conditions set forth in Section 8.03(a) and Section

8.03(b) shall not be satisfied, and Buyers shall have not cured such breaches and failures within fifteen (15) days after receipt of written notice from the Sellers with the result that such condition remains unsatisfied;

(ii) if any condition set forth in Section 8.01 or Section 8.03 shall have become incapable of being satisfied by the End Date;

(iii) the Sale Order does not become a Final Order by the End Date, unless the Sale Order is entered by the End Date but is not stayed by order of the Bankruptcy Court or of some other federal district or appeals court;

(iv) if any of the Sellers executes an Alternative Agreement or takes affirmative steps to effect an Alternative Transaction; or

(v) if Buyers are not the Winning Bidder at the Auction pursuant to the Bidding Procedures Order.

Notwithstanding the foregoing, the Sellers shall not be permitted to terminate this Agreement pursuant to this Section 9.01 if the Sellers are in breach of any of their representations and warranties or shall have failed to perform or comply with any of their covenants and agreements such that either (A) the conditions to Closing set forth in Section 8.03(a) and Section 8.03(b) shall not be satisfied or (B) such breach or failure to perform or comply by the Sellers is the primary cause of the occurrence of any event giving Sellers a right to terminate this Agreement or the failure of the Closing to have occurred. Buyers shall not be permitted to terminate this Agreement pursuant to this Section 9.01 if Buyers are in breach of any of their respective representations and warranties or shall have failed to perform or comply with any of their respective covenants and agreements such that either (A) the conditions to closing set forth in Section 8.02(a) and Section 8.02(b) shall not be satisfied or (B) such breach or failure to perform or comply by Buyer is the primary causes of the occurrence of any event giving Buyers a right to terminate this Agreement or the failure of the Closing to have occurred.

#### **Section 9.02**      **Effect of Termination.**

(a) If any Party terminates this Agreement pursuant to Section 9.01 (other than pursuant to Section 9.01(a)), written notice thereof shall be given to the other Parties, specifying the provision of this Agreement pursuant to which termination is made, and all rights and obligations of the applicable Parties under this Agreement shall terminate (other than Section 7.03 and this Section 9.02, the provisions of Article 10 and such portions of Article 1 as are necessary to give effect to the foregoing, all of which shall survive termination of this Agreement); *provided, however*, that notwithstanding anything herein to the contrary, if such termination shall result from the willful and knowing (i) failure of either Party to fulfill a condition to the performance of the obligations of the other Party, (ii) failure to perform a covenant or agreement of this Agreement or (iii) breach by any Party hereto of any representation, warranty, covenant or agreement contained herein, such Party shall be fully liable for any and all Adverse Consequences incurred or suffered by the other Party as a result of such failure or breach.

(b) If this Agreement is terminated for any reason, then the Parties shall promptly direct the Escrow Agent to disburse the Deposit to the Buyers, free and clear of any claims thereon by the Sellers; *provided, however*, if this Agreement is terminated by the Sellers pursuant to (i) Section 9.01(e)(i) or Section 9.01(e)(ii) (as a result of any condition set forth in Section 8.03(a), Section 8.03(b), Section 8.03(c) or Section 8.03(d) having become incapable of being satisfied by the End Date) or (ii) Section 9.01(b) because of the failure of Buyers to close in the instance where, as of the End Date, (A) all of the conditions set forth in Section 8.01 and Section 8.02 (excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied (or waived, or deemed to have been waived, by Buyers), (B) the Sellers are ready, willing and able to close, and (C) Buyers nevertheless elect not to promptly close, the Sellers would not have any adequate remedy at law and would suffer damages that are not practicable to ascertain, and in the case of either clause (i) or (ii) of this Section 9.02(b), the Sellers shall be entitled to terminate this Agreement, and the Parties shall promptly direct the Escrow Agent to disburse the Deposit Amount to the Sellers as liquidated damages. The Sellers agree that, to the fullest extent permitted by Applicable Law, the Sellers' right to the payment of such Deposit Amount as provided in this Section 9.02(d) shall be the sole and exclusive remedy against Buyers or any of its Affiliates or any of their respective stockholders, partners, members or Representatives for any and all Adverse Consequences that may be suffered based upon, resulting from or arising out of the circumstances giving rise to such termination, and upon payment of the Deposit Amount to Sellers in accordance with this Section 9.02(b), none of Buyers or any of their Affiliates or any of their respective stockholders, partners, members or Representatives shall have any further liability or obligation relating to or arising out of this Agreement or the Transactions except as provided in Section 9.02(a).

(c) Notwithstanding Section 9.02(b), if this Agreement is terminated by (i) Buyers pursuant to Section 9.01(d)(vi)(D) or Section 9.01(d)(vi)(E) or (ii) the Sellers pursuant to Section 9.01(e)(iv) or Section 9.01(e)(v), then the Escrow Agent shall retain the Deposit until the earlier to occur of (i) the consummation of an Alternative Transaction or (ii) the End Date, at which time the Parties shall promptly direct the Escrow Agent to disburse the Deposit to the Buyers, free and clear of any claims thereon by the Sellers.

(d) In addition to the remedies in Section 9.02(b), Buyers shall be entitled to the following remedies without further order of the Bankruptcy Court: the Sellers shall pay to Buyers, and Buyers shall be entitled to receive the Bid Protections if and only if Buyers are not in default or breach of any of the terms of this Agreement and either (i) Buyers terminate this Agreement pursuant to Section 9.01(d)(vi)(D) or Section 9.01(d)(vi)(E), or (ii) the Sellers terminate this Agreement pursuant to Section 9.01(e)(iv) or Section 9.01(e)(v). If owed pursuant to the immediately preceding sentence, the Bid Protections shall be treated as an allowed administrative expense claim in the Bankruptcy Cases pursuant to Section 503(b)(1)(A) of the Bankruptcy Code and shall be payable from the deposit made, but only up to the amount of such deposit, and/or the sale proceeds paid by the Third Party buyer in the Alternative Transaction upon the earlier to occur of the consummation of the Alternative Transaction or when such deposit is otherwise forfeited to the Sellers. Notwithstanding anything to the contrary contained in this Agreement, the Bid Protections shall be subject to a carve out from any lien, security interest or superpriority administrative expense claim with respect to the proceeds of any Alternative Transaction pursuant to Sections 105, 363, 364, 503(b) or 507 of the Bankruptcy Code in the Bankruptcy Cases.

(e) Upon termination of this Agreement, Buyers shall destroy or return to the Sellers all data, assessments and/or reports, maps and other information furnished by or on behalf of the Sellers to Buyers or prepared by or on behalf of Buyers in connection with its due diligence investigation of the Sellers, the Acquired Business, the Transferred Assets and the Specifically Assumed Liabilities, and, if Buyers elect to destroy any such information, an officer of Buyers shall certify the destruction of such information to Seller in writing.

## ARTICLE 10 MISCELLANEOUS

**Section 10.01 Notices.** All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to Buyers:

Altus Health System OpCo, LLC  
Altus Health System Realty, LLC  
11233 Shadow Creek Parkway, Suite 313  
Pearland, Texas 77584  
Attention: Taseer A. Badar, CEO  
Facsimile No: (713) 231-2131  
E-mail: shah@ztcorporate.com

with a copy to:

Anwar-i-Qadeer & Associates, P.C.  
50 Briar Hollow Lane, Suite 230 West  
Houston, Texas 77027  
Attention: Anwar-i-Qadeer  
Facsimile No: (713) 622-8704  
E-mail: qadeer@qadeerlaw.com

and to:

The Gerger Law Firm PLLC  
2211 Norfolk Street, Suite 517  
Houston, Texas 77098  
Attention: Alan Gerger  
Facsimile No: (888) 317-0281  
E-mail: asgerger@gergerlaw.com

if to the Sellers, to:

Neighbors Legacy Holdings, Inc.  
10800 Richmond Ave.  
Houston, Texas 77042  
Attention: Chief Restructuring Officer  
Facsimile No.: (713) 436-5210  
E-mail; [cshandler@neighborshealth.com](mailto:cshandler@neighborshealth.com)

with a copy to:

Porter Hedges LLP  
1000 Main, 36th Floor  
Houston, Texas 77002  
Attention: John F. Higgins  
Facsimile No.: (713) 226-6248  
E-mail: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)

or such other address, facsimile number or electronic mail address as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

**Section 10.02 Survival.** The representations and warranties contained herein and in any certificate or other writing delivered pursuant hereto shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof (it being understood and agreed that no Party shall have the right to bring or assert any action or claim for breach of any representation or warranty herein or in any Transaction Document after the Closing). Each of the covenants and agreements of the Parties hereto contained in this Agreement shall terminate upon the Closing except to the extent that performance under such covenant or agreement is to take place after Closing, in which case such covenant shall survive the Closing until the earlier of (i) performance of such covenant or agreement in accordance with this Agreement or, if time for performance of such covenant is specified in this Agreement, thirty (30) days following the expiration of the time period for such performance and (ii) the expiration of applicable statute of limitations with respect to any claim for any failure to perform such covenant; *provided, however,* that if a written notice of claim with respect to any covenant or agreement to be performed after Closing is given prior to the expiration of such covenant or agreement then such covenant or agreement shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

**Section 10.03 Amendments and Waivers.**

(a) Any provision of this Agreement may be amended or waived prior to Closing if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party to this Agreement, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

**Section 10.04 Expenses.** Except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement or the Transactions shall be paid by the Party incurring such cost or expense.

**Section 10.05 Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; *provided, however*, that no Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of each other Party hereto.

**Section 10.06 Supplementation and Amendment of Schedules.** For the purpose of avoiding any misunderstanding, the Sellers may, at their option, supplement the Schedules hereto in order to reflect any additional matters which, if existing, occurring or known as of the Execution Date, would have been required to be set forth or described in the Schedules (each, a "*Schedule Supplement*"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of Buyers' termination rights contained in Section 9.01(d) or of determining whether or not the conditions set forth in Section 8.02 have been satisfied; *provided, however*, if Buyers have the right to, but do not elect to, terminate this Agreement within five (5) days of its receipt of such Schedule Supplement, then Buyers shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter. The inclusion of any item in the Schedules, or any references to dollar amounts, will not be deemed to be an acknowledgement or representation that such item is material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. Information provided in one Schedule hereto will suffice, without repetition or cross reference, as a disclosure of such information in any other Schedule hereto to which its relevance is reasonably apparent on its face.

**Section 10.07 Governing Law.** THE AGREEMENT AND ALL ACTIONS, CAUSES OF ACTION, OR CLAIMS OF ANY KIND (WHETHER AT LAW, IN EQUITY, IN CONTRACT, IN TORT, OR OTHERWISE) THAT MAY BE BASED UPON, ARISE OUT OF, OR RELATE TO THIS AGREEMENT, OR THE NEGOTIATION, EXECUTION, OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY ACTION, CAUSE OF ACTION, OR CLAIM OF ANY KIND BASED UPON, ARISING OUT OF, OR RELATED TO

ANY REPRESENTATION OR WARRANTY MADE IN, IN CONNECTION WITH, OR AS AN INDUCEMENT TO THIS AGREEMENT), SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

**Section 10.08 Jurisdiction.** Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to the Transaction Documents and the transactions contained in or contemplated by the Transaction Documents, exclusively in (a) the Bankruptcy Court so long as the Bankruptcy Cases remain open and (b) if the Bankruptcy Cases are never filed, or after the close of the Bankruptcy Cases or in the event that the Bankruptcy Court determines that it does not have jurisdiction, the United States District Court for the Southern District of Texas or any Texas State court sitting in Houston (together with the Bankruptcy Court, the "*Chosen Courts*"), and solely in connection with claims arising under this Agreement or any other Transaction Document or the Transactions (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto, and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 10.01.

**Section 10.09 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 10.10 Counterparts; Effectiveness; Third Party Beneficiaries.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by all of the other Parties hereto. Until and unless each Party has received a counterpart hereof signed by the other Party hereto, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Notwithstanding anything to the contrary in this Agreement, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by facsimile or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the Parties hereto and their respective successors and assigns.

**Section 10.11 Entire Agreement.** This Agreement, the other Transaction Documents, the Bidding Procedures Order, and the Sale Order constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof and thereof.

**Section 10.12 Severability.** If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; and in lieu of each such invalid, void or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such invalid, void or unenforceable provision as may be valid, binding and enforceable.

**Section 10.13 Time of Essence.** Time is of the essence in the performance of this Agreement, except as otherwise expressly provided herein.

**Section 10.14 Certain Acknowledgements and Limitations.**

(a) Any and all duties and obligations which any Party may have to any other Party with respect to or in connection with this Agreement, the other Transaction Documents or the Transactions are limited to those specifically set forth in this Agreement and the other Transaction Documents. Neither the duties nor obligations of any Party, nor the rights of any Party, shall be expanded beyond the terms of this Agreement and the other Transaction Documents on the basis of any legal or equitable principle or on any other basis whatsoever. Neither any equitable or legal principle nor any implied obligation of good faith or fair dealing nor any other matter requires any Party to incur, suffer or perform any act, condition or obligation contrary to the terms of this Agreement and the other Transaction Documents, whether or not existing and whether foreseeable or unforeseeable. Each of the Parties acknowledges that it would be unfair, and that it does not intend, to increase any of the obligations of the other Party on the basis of any implied obligation or otherwise.

(b) **BUYERS ACKNOWLEDGE AND AGREE THAT THEY HAVE CONDUCTED THEIR OWN INDEPENDENT DUE DILIGENCE INVESTIGATION, REVIEW AND ANALYSIS OF THE SELLERS, THE TRANSFERRED ASSETS, THE SPECIFICALLY ASSUMED LIABILITIES AND THE ACQUIRED BUSINESS IN CONNECTION WITH THE TRANSACTIONS AND HAVE BEEN PROVIDED ACCESS TO THE PERSONNEL, PROPERTIES, ASSETS, PREMISES, BOOKS AND RECORDS, AND OTHER DOCUMENTS AND DATA OF THE SELLERS AND THE ACQUIRED BUSINESS FOR SUCH PURPOSE.**

(c) **BUYERS AGREE THAT, (I) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES MADE BY THE SELLERS THAT ARE EXPRESSLY SET FORTH IN ARTICLE 3 OF THIS AGREEMENT, NEITHER THE SELLERS, NOR ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES HAVE MADE AND SHALL NOT BE DEEMED TO HAVE MADE TO BUYERS OR TO ANY OF THEIR REPRESENTATIVES ANY REPRESENTATION OR WARRANTY OF ANY KIND, (II) EACH OF THE SELLERS EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES, AND (III) BUYERS ACKNOWLEDGE AND AGREE THAT NEITHER BUYERS NOR THEIR REPRESENTATIVES HAVE RELIED UPON ANY SUCH REPRESENTATIONS OR WARRANTIES.**

(d) EXCEPT AS OTHERWISE EXPRESSLY SPECIFIED IN THIS AGREEMENT, THE TRANSFERRED ASSETS AND ACQUIRED BUSINESS OF SELLERS ARE BEING ACQUIRED BY BUYERS AT THE CLOSING AS A RESULT OF THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE ACQUIRED BY BUYERS ON AN “AS IS, WHERE IS” BASIS AND IN THEIR THEN PRESENT CONDITION, AND BUYERS SHALL RELY SOLELY UPON ITS OWN EXAMINATION THEREOF. IN ANY EVENT, EXCEPT AS EXPLICITLY SET FORTH HEREIN, NONE OF SELLERS OR ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES, AS THE CASE MAY BE, HAS MADE OR IS MAKING ANY REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE OF ANY TRANSFERRED ASSET OR THE ACQUIRED BUSINESS BEING SO ACQUIRED, OR ANY WARRANTY OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR QUALITY, WITH RESPECT TO ANY OF THE TANGIBLE ASSETS BEING SO ACQUIRED, OR AS TO THE CONDITION OR WORKMANSHIP THEREOF, OR AS TO THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT. BUYERS ACKNOWLEDGE AND AGREE THAT NEITHER BUYERS NOR THEIR REPRESENTATIVES HAVE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES THAT ARE DISCLAIMED BY THE SELLERS IN THIS SECTION 10.14.

(e) THE SELLERS AGREE THAT EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES MADE BY BUYERS THAT ARE EXPRESSLY SET FORTH IN ARTICLE 4 OF THIS AGREEMENT, NEITHER BUYERS, NOR ANY OF THEIR STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES HAVE MADE AND SHALL NOT BE DEEMED TO HAVE MADE TO SELLERS OR TO ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES ANY REPRESENTATION OR WARRANTY OF ANY KIND.

(f) NO PERSON HAS BEEN AUTHORIZED BY THE SELLERS TO MAKE ANY REPRESENTATION OR WARRANTY RELATING TO THE SELLERS OR THEIR BUSINESS OR OPERATIONS OR ASSETS, OR OTHERWISE IN CONNECTION WITH THE TRANSACTIONS EXCEPT FOR THOSE CONTAINED HEREIN AND, IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON.

(g) NO PERSON HAS BEEN AUTHORIZED BY BUYERS TO MAKE ANY REPRESENTATION OR WARRANTY RELATING TO BUYERS OR THEIR BUSINESSES OR OPERATIONS, OR OTHERWISE IN CONNECTION WITH THE TRANSACTIONS EXCEPT FOR THOSE CONTAINED HEREIN AND, IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON.

(h) UNDER NO CIRCUMSTANCES SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE FOR ANY SPECIAL, EXEMPLARY, PUNITIVE, REMOTE, SPECULATIVE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LIABILITIES ARISING OUT OF ANY ACTUAL, ALLEGED OR

**INTENTIONAL BREACH OF THIS AGREEMENT, INCLUDING LOSS OF REVENUE OR INCOME, DAMAGES BASED ON ANY MULTIPLIER OF PROFITS OR OTHER VALUATION METRIC, COST OF CAPITAL, DIMINUTION OF VALUE OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY, AND NO CLAIM SHALL BE MADE OR AWARDED AGAINST ANY PARTY TO THIS AGREEMENT THEREFOR.**

*[Signatures continued on following page]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**SELLERS:**

NEC BAYTOWN EMERGENCY CENTER, LP

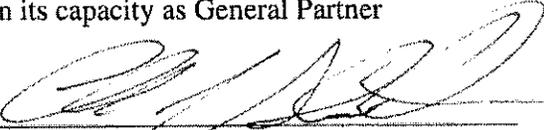
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC BELLAIRE EMERGENCY CENTER, LP

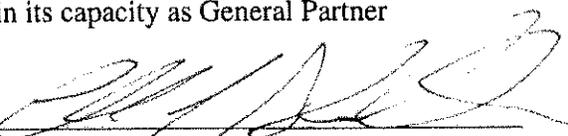
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC CROSBY EMERGENCY CENTER, LP

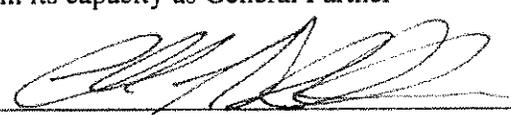
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC KINGWOOD EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

*[Signature page to Asset Purchase Agreement (Houston)]*

**SELLERS, Continued:**

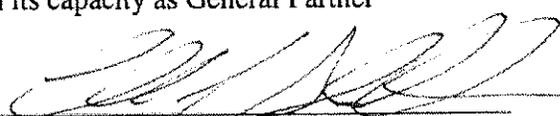
NEC PASADENA EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

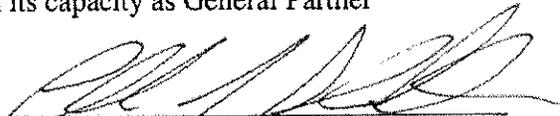
NEC PEARLAND EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC PORTER EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC YORKTOWN EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

*[Signature page to Asset Purchase Agreement (Houston)]*

**SELLERS, Continued:**

NEC BAYTOWN ASSET HOLDINGS, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC KINGWOOD ASSET HOLDINGS LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC PEARLAND ASSET HOLDINGS, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS LEGACY HOLDINGS, INC.

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS GLOBAL HOLDINGS, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

**SELLERS, Continued:**

NEIGHBORS HEALTH, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

EDMG, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS PRACTICE MANAGEMENT, LLC

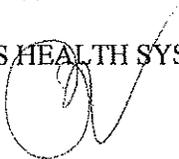
By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS EMERGENCY CENTER, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

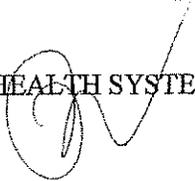
**BUYERS:**

ALTUS HEALTH SYSTEM OPCO, LLC

By:  \_\_\_\_\_

Name: Taseer A. Badar  
Title: President & Manager

ALTUS HEALTH SYSTEM REALTY, LLC

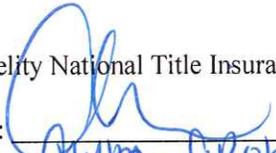
By:  \_\_\_\_\_

Name: Taseer A. Badar  
Title: President & Manager

**RECEIPT**

On this day, July 10, 2018, the undersigned Escrow Agent acknowledges receipt of: (a) the Asset Purchase Agreement affixed hereto; and (b) a cash deposit in the amount of \$1,600,000.00. By its signature below, the Escrow Agent hereby agrees to be bound by the terms of Section 2.05 and 2.06 of the Asset Purchase Agreement and, to the extent required to give effect thereto, Article 10 of the Asset Purchase Agreement.

Escrow Agent: Fidelity National Title Insurance Company

By:   
Name: Dwight J. Robinson  
Title: Title Agent

Address: 1900 West Loop South  
Suite 200  
Houston, Texas 77027

[Signature page to Asset Purchase Agreement (Houston)]

## EXHIBIT A

### Facility Locations

1. *Baytown*, 6051 Garth Road, Baytown, Texas 77521
2. *Bellaire*, 5413 S. Rice Ave., Houston, Texas 77081
3. *Crosby*, 14120 FM 2100, Crosby, Texas 77532
4. *Kingwood*, 1120 Kingwood Drive, Kingwood, Texas 77339
5. *Pasadena*, 7215 Fairmont Parkway, Pasadena, Texas 77505
6. *Pearland*, 11130 Broadway Street, Pearland, Texas 77584
7. *Porter*, 22678 US Hwy 59, Porter, Texas 77365
8. *Yorktown*, 5835 Hwy 6 North, Houston, Texas 77084

**EXHIBIT B**

**Bidding Procedures and Sale Motion**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

	§	
In re:	§	Chapter 11
	§	
NEIGHBORS LEGACY HOLDINGS, INC.,	§	Case No. 18-_____
<i>et al.</i> ,	§	
	§	(Jointly Administered)
Debtors. <sup>1</sup>	§	

**DEBTORS' EMERGENCY MOTION (I) FOR ENTRY OF AN ORDER  
(A) APPROVING AUCTION AND BID PROCEDURES, INCLUDING BID  
PROTECTIONS, AND (B) AUTHORIZING AND SCHEDULING AN AUCTION FOR  
THE SALE OF THE DEBTORS' ASSETS; AND (II) FOR ENTRY OF AN ORDER (A)  
APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL  
LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, AND (B) AUTHORIZING  
THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES**

THIS MOTION SEEKS ENTRY OF AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE. A HEARING WILL BE CONDUCTED ON THIS MATTER ON \_\_\_\_\_, 2018 AT \_\_:\_\_ .M. IN COURTROOM \_\_, UNITED STATES

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors' principal place of business and the Debtors' service address is: 10800 Richmond Avenue, Houston, Texas 77042.

**BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK STREET, HOUSTON, TEXAS 77002.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEYS.**

**TO THE HONORABLE \_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE**

The debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”) file this Motion (the “Bid Procedures and Sale Motion”) for (I) an Order (A) Approving Auction and Bid Procedures, Including Bid Protections, and (B) Authorizing and Scheduling an Auction for the Sale of the Debtors’ Assets (the “Bid Procedures Order”); and for (II) an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (B) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases (the “Sale Order”). In support of the Motion, the Debtors rely upon and incorporate by reference the Declaration of Chad J. Shandler in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. \_\_\_] (the “First Day Declaration”). In further support of the Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

**PRELIMINARY STATEMENT**

1. The Debtors have undertaken a robust four-month prepetition marketing process, which resulted in formal bids for various of the Debtors’ assets. The Debtors anticipate a sale of substantially all of their assets in two, or more, separate asset packages (each, an “Asset Package”). The Debtors have negotiated an asset purchase agreement (“Stalking Horse Agreement”) for the sale of substantially all of the Debtors’ Houston-area centers with Altus Health Systems OPCO, LLC and Altus Health System Realty, LLC (individually, the “Stalking Horse Bidder,” and collectively with any other stalking horse bidder, the “Stalking Horse”).

Bidders”). Any Stalking Horse Bidder’s offer remain subject to higher and better bids at auction. To induce the Stalking Horse Bidders to serve as the “stalking horse” bidders in the sale process, the Debtors have agreed to certain bid procedures and protections, including break-up fees. The Debtors seek court approval of these procedures and bid protections as set forth below.

2. The Debtors seek the immediate entry of the Bid Procedures Order, attached as **Exhibit A**, establishing the bid procedures related to an auction of the Debtors’ assets, approving the forms of the Stalking Horse Agreements and the bid protections being granted to the Stalking Horse Bidders, scheduling a hearing to approve the proposed sale, and establishing notice procedures related to the assumption and assignment of executory contracts and unexpired leases.

3. In this Motion, the Debtors also seek entry of the Sale Order approving the proposed sale to the Stalking Horse Bidders on the terms set forth in the Stalking Horse Agreement or to the highest and/or best bid received at auction and authorizing the assumption and assignment of certain executory contracts and unexpired leases.

#### **JURISDICTION AND VENUE**

4. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This matter is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. § 1408.

5. The legal predicates for the relief requested herein are Bankruptcy Code sections 105, 363, 365, 503, and 507 and Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

## **BACKGROUND**

### **A. General Background**

6. On July 11, 2018 (the "Petition Date"), the Debtors each commenced a case by filing a petition for relief under Chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases"). The Debtors have requested that the Chapter 11 Cases be jointly administered.

7. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

8. To date, no creditors' committee has been appointed in the Chapter 11 Cases by the Office of the United States Trustee for the Southern District of Texas (the "United States Trustee"). No trustee or examiner has been appointed in the Chapter 11 Cases.

9. The Debtors currently operate 22 freestanding emergency centers (the "Emergency Centers") throughout the State of Texas, including in South Texas, El Paso, the Golden Triangle, the Permian Basin, the Panhandle, and the greater Houston area. The Debtors' Emergency Centers are designed to offer an attractive alternative to traditional hospital emergency rooms by reducing wait times, providing better working conditions for physicians and staff, and giving patient care the highest possible priority.

10. The Debtors' original parent was founded in 2008, and the first Neighbors Emergency Center opened in 2009. At their peak, the Debtors operated 33 Emergency Centers across three states. In recent years, the Debtors have experienced financial difficulties caused in large part by increased competition, less favorable insurance payor conditions, declining revenues, and disproportionate overhead costs as compared to their operating income. These challenges have caused significant strain on the Debtors' liquidity and threatened their ability to continue operating as a going concern. Prepetition, the Debtors engaged professionals and

explored various out-of-court solutions, including closing unprofitable Emergency Centers and downsizing their corporate overhead. Ultimately, the Debtors' out-of-court restructuring efforts were unsuccessful and the Debtors elected to commence these Chapter 11 Cases.

11. In August 2017, the Debtors retained Chad J. Shandler of CohnReznick LLP ("CohnReznick") to serve as the Debtors' chief restructuring officer ("CRO") and, on January 2, 2018, the Debtors retained Houlihan Lokey, Inc. ("Houlihan") as the investment banker to market the Debtors' assets.

12. Thereafter, Houlihan and the Debtors began a marketing process that included, among other things:

- a. Establishing a data room with relevant documents about the Debtors' businesses, financial status and operations;
- b. Negotiating and executing non-disclosure agreements with interested parties;
- c. Preparing a Confidential Information Presentation ("CIP");
- d. Approaching strategic and financial buyers with industry and/or "special situations" experience;
- e. Approaching Neighbors Class A and B interest holders that had expressed an interest in participating in the sale process;
- f. Marketing the Debtors 1) as an entire portfolio, 2) by individual market, and 3) by individual facility;
- g. Having numerous informal discussions with bidders regarding the Debtors' business and bidder due diligence;
- h. Holding management presentations with parties;
- i. Conducting site visits with parties;
- j. Analyzing bids, selecting the Stalking Horse Bidders, and negotiating Stalking Horse Agreements.

13. Houlihan initially contacted 127 parties. 61 parties signed non-disclosure agreements and were granted access to the data room established by Houlihan. Thereafter, the

Debtors and Houlihan solicited indications of interest (“IOI”) with a deadline of February 16, 2018. Eighteen parties submitted an IOI, ranging from interest in a whole-system bid to bids on specific Emergency Centers. Houlihan and the Debtors spent a substantial amount of time providing feedback and guidance to parties that submitted an IOI. The Debtors and Houlihan further provided supplemental due diligence and had numerous telephone conferences, in person meetings, management presentations, and site visits at the Debtors’ headquarters in Houston or at various Emergency Centers.

14. The Debtors’ counsel, with input from Houlihan, prepared a form of asset purchase agreement to serve as the baseline agreement for all bidders. Stalking horse candidates were required to provide a draft stalking horse agreement marked against the Debtors’ version by April 9, 2018. The Debtors received five formal bids. Two bids were whole-system bids for substantially all of the Debtors’ assets and the remaining three bids were for specific regions.

15. After evaluating all of the bids and consulting with their advisors and with KeyBank, the Debtors selected Altus Health Systems OPCO, LLC and Altus Health System Realty, LLC as the Stalking Horse Bidder for all Houston-area locations. The proposed Bidding Procedures contemplate that a buyer for all of the Debtors’ non-Houston area centers may be identified at a later date, under appropriate circumstances, through the Debtors’ identification of a second Stalking Horse Bidder. A copy of the Stalking Horse Agreements, which are expressly subject to higher and better offers, are attached as **Exhibit B**. In connection with the Stalking Horse Agreements, and in order to maximize the ultimate purchase price for their assets, the Debtors agreed to seek approval of sale procedures, form of Stalking Horse Agreements, and form of notice and certain bid protections as more fully set forth below.

**RELIEF REQUESTED**

**A. The Bid Procedures, Form of Stalking Horse Agreement, and Form of Notice**

16. The Debtors seek approval of the form of Stalking Horse Agreements attached as **Exhibit B**. The Debtors also seek approval of the bid procedures attached as **Exhibit C** (the “Bid Procedures”<sup>2</sup>):

17. The Bid Procedures are designed to maximize value for the Debtors’ estates, while ensuring an orderly sale process consistent with the timeline available to the Debtors under each Stalking Horse Agreement and the terms of the Debtors’ agreed use of cash collateral and proposed post-petition financing. The Bid Procedures are the result of good faith, arm’s length negotiations with each Stalking Horse Bidder. The Bid Procedures are transparent and represent a fair balance of the competing issues present in this case.

**B. Notice Relating to Potential Assumption and Assignment of Executory Contracts and Unexpired Leases**

18. As part of the Sale, the Debtors seek authority to assume and assign certain executory contracts and/or unexpired leases (the “Desired 365 Contracts”) to the Stalking Horse Bidders or other successful bidders.

19. With respect to the Desired 365 Contracts, the Debtors respectfully request approval of the following notice procedures:

- a. No later than 10 (ten) days prior to the Sale Hearing, the Debtors will file with the Court and serve on each party to a Desired 365 Contract a notice setting forth the amount of cure owed thereunder according to the Debtors’ books and records (the “Cure Notice”). The Cure Notice shall state the cure amount that the Debtors believe is necessary to assume such contract or lease pursuant to Bankruptcy Code section 365 (the “Cure Amount”), and notify each party that such party’s lease or contract may be assumed and assigned to the successful bidder to be identified at the conclusion of the Auction.

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<sup>2</sup> In the event of a conflict, the terms of the attached Bid Procedures Orders shall prevail.

- b. No later than five (5) days prior to the Sale Hearing, any objection to the Cure Amount must be filed with the Court (the “Cure Objection Deadline”). Any objection to the Cure Amount must state with specificity what cure the party to the Desired 365 Contract believes is required with appropriate documentation in support thereof. If no objection is timely received, the Cure Amount set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any Desired 365 Contract or other document as of the date of the Cure Notice; the non-debtor party to the Desired 365 Contract shall be deemed to have stipulated that the Cure Amount set forth in the Cure Notice is correct; the non-debtor party shall be forever barred, estopped and enjoined from asserting or claiming against the Debtors or the Stalking Horse Bidder that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Desired 365 Contract or that there is any objection or defense to the assumption and assignment of such Desired 365 Contract, including any argument that there exist conditions to assumption and assignment that must be satisfied under such Desired 365 Contract or that any required consent to assignment has not been given; and the non-debtor party to such Desired 365 Contract shall be forever barred from objecting to the adequacy of the Stalking Horse Bidder’s adequate assurance of future performance and that there exists any other basis on which to object to such assumption and assignment.

**C. Breakup Fee, Expense Reimbursement, and Minimum Overbid**

20. In connection with approval of the Stalking Horse Agreement, the Debtors seek approval of a Breakup Fee and/or Expense Reimbursement, as applicable under each Stalking Horse Agreement (collectively the “Bid Protections”). Specifically, in the event that the Debtors consummate an alternative transaction, which would include a sale of the Purchased Assets to any party other than the respective Stalking Horse Bidder, or fail to conduct the Auction or sell the Purchased Assets in compliance in all material respects with the Bid Procedures Order, the Debtors shall pay the respective Stalking Horse Bidder the Breakup Fee and Expense Reimbursement, as applicable. In the event that the Stalking Horse Bidder terminates the Stalking Horse Agreement based on a material breach of the Stalking Horse Agreement by the Debtors, the Debtors shall be liable for and shall pay to the Stalking Horse Bidder the Bid Protections.

21. The Debtors believe that the Bid Protections are appropriate under the circumstances as a cost of ensuring that the Debtors' bankruptcy estates maximize value for the Purchased Assets, while also providing the Debtors with the opportunity to continue their marketing efforts. The combined amount of Breakup Fee and Expense Reimbursement does not exceed an aggregate of 5% in either Stalking Horse Agreement. The Debtors believe that the Bid Protections are reasonable for a transaction of the type and size contemplated, and in light of the attendant risks present in this case.

22. The determination of whether a stalking horse fee/expense arrangement should be allowed is based on whether the fees and expenses are necessary to preserve the value of the estate. *In re O'Brien Environmental Energy, Inc.*, 181 F.3d 527, 534 (3d Cir. 1999). Courts have evaluated such arrangements under the business judgment rule standard. *See In re ASARCO, LLC*, 650 F.3d 593 (5th Cir. 2011) (affirming bankruptcy court's decision to apply the business judgment rule to evaluate whether an expense reimbursement bid protection was permissible); *see also In re ASARCO LLC*, 441 B.R. 813, 826 (S.D. Tex. 2010) (explaining three-part test used to determine whether expense reimbursement was permissible under business judgment rule); *Cottle v. Storer Communications, Inc.*, 849 F.2d 570 (11th Cir. 1988); *CRTF Corp. v. Federated Dep't Stores*, 683 F.Supp. 422 (S.D.N.Y. 1988); *Official Comm. Of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 657 (S.D.N.Y. 1992), *appeal dismissed by* 3 F.3d 49 (2d Cir. 1993); *see also In re Twenver, Inc.*, 149 B.R. 954 (Bankr. D. Colo. 1992). The considerations that underlie a debtor's business judgment to pay a break-up fee or expense reimbursement are relevant to the Court's determination of the request. *Id.*

23. It is well-established that “[a] bankruptcy court should uphold a break-up fee which was not tainted by self-dealing and was the product of arm’s-length negotiations.” *In re Integrated Res., Inc.*, 147 B.R. at 658. In the instant case, the proposed Bid Protections have been the product of good faith, arm’s-length negotiations between the Debtors and the Stalking Horse Bidder. The proposed Bid Protections are within the spectrum of “break-up fees” approved by bankruptcy courts in chapter 11 cases throughout the country. *See e.g., In re Cobalt International Energy, Inc., et al.*, Case No. 17-36709 (MI) (Bankr. S.D. Tex. Jan. 25, 2018) (court authorized payment of Bid Protections up to an aggregate of 3% of the purchase price), *In re Stone Energy Corp., et al.*, Case No. 16-36390 (court approved break-up fee of 3% and expense reimbursement of 1%) (MI) (Bankr. S.D. Tex. Jan. 18, 2017) (same), *In re Enron Corp.*, Case No. 01-16034 (Bankr. S.D.N.Y. April 8, 2004) (court approved break-up fee equal to 5% of the purchase price); *In re TransCom USA Management Co., L.P.*, Case No. 01-35158 (KKB) (Bankr. S.D. Tex. February 12, 2002) (court approved a break-up fee of more than 3.6% of the purchase price for the assets); *In re Samson Resources Corp.*, Case No. 15-11934 (Bankr. D. Del. 2016) (authorizing, for multiple Stalking Horse Agreements, breakup fees of 1 and 1.5% and expense reimbursements of 3 and 3.5%).

**D. The Sale of Assets is an Exercise of the Debtors’ Sound Business Judgment**

24. Bankruptcy Code section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate; however, bankruptcy courts in this District and elsewhere have required that the authorization of such use, sale, or lease of property of the estate out of the ordinary course of business be based upon sound business justification. *See Institutional Creditors of Continental Air Lines, Inc v. Continental Air Lines, Inc., et al. (In re Continental Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor,

creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *see also In re Asarco*, 650 F.3d at 601; *In re Cowin*, No. 13-30984, 2014 WL 1168714, at \*38 (Bankr. S.D. Tex. Mar. 21, 2014); *In re St. Marie Clinic PA*, No. 10-70802, 2013 WL 5221055, at \*9 (Bankr. S.D. Tex. Sept. 17, 2013); *In re Particle Drilling Techs., Inc.*, No. 09-33744, 2009 WL 2382030, at \*2 (Bankr. S.D. Tex. July 29, 2009); *In re San Jacinto Glass Indus., Inc.*, 93 B.R. 934, 944 (Bankr. S.D. Tex. 1988). Once the Debtors articulate a valid business justification, “[t]he business judgment rule is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.” *In re S.N.A. Nut Co.*, 86 B.R. 98 (Bankr. N.D. Ill. 1995); *see also In re Integrated Res., Inc.*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“ . . . a presumption of reasonableness attaches to a Debtor’s management decisions.”).

25. The Debtors have a sound business justification for selling the Purchased Assets under the terms of the Stalking Horse Agreements, and pursuant to a competitive-Bidding Process consistent with the Bidding Procedures.

26. The Debtors submit that the Stalking Horse Agreement (or, if the Stalking Horse Bidder is not the prevailing bidder, an alternative bid resulting from the Bidding Procedures) will constitute the highest and best offer for the Purchased Assets, and will provide a greater recovery for the Debtors’ estates than would be provided by any other available alternative. The Debtors’ determination to sell the Purchased Assets under the terms of the Stalking Horse Agreement (or through a competitive Bidding Process as provided for in the Bidding Procedures) is a valid and sound exercise of the Debtors’ business judgment.

27. Accordingly, the Debtors believe that they have proposed a fair process for obtaining the highest and best offer and sale of the Purchased Assets for the benefit of the Debtors' estate and its creditors.

**E. Request to Approve Sale Free and Clear Pursuant to 11 U.S.C. § 363(f)**

28. By this Motion, the Debtors also request that the Court approve the sale of the Purchased Assets to the Stalking Horse Bidders or the successful bidder pursuant to Bankruptcy Code sections 105, 363, and 365. This portion of the relief is requested to be entered after the Sale Hearing, pursuant to a form of Sale Order to be filed prior to the Sale Hearing. The Debtors submit that the sale of the Purchased Assets to the Stalking Horse Bidders pursuant to the Stalking Horse Agreements, or such Stalking Horse Agreement as the Debtors may reach with the successful bidder, is in the best interest of the Debtors' estates and should be approved.

29. A debtor should be authorized to sell assets out of the ordinary course of business pursuant to Bankruptcy Code section 363 and prior to obtaining a confirmed plan or reorganization if it demonstrates a sound business purpose for doing so. *See, e.g., Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983); *see also In re Gulf Oil Corp.*, 404 B.R. 407 (Bankr. S.D. Tex. 2009). Factors considered in approving a sale outside of plan include (i) the business justification, (ii) the amount of elapsed time since the filing date, (iii) whether the proposed bid procedures and Stalking Horse Agreement facilitate competitive bidding, (iv) whether the assets have been aggressively marketed, (v) the likelihood that a plan will be confirmed in the near future, (vi) the effect of disposition on the future plan, and (vii) whether the assets are increasing or decreasing in value. *Id.*

30. Together with Houlihan, the Debtors began a formal marketing process in January 2018. The Debtors and Houlihan aggressively marketed the Debtors' assets for sale before agreeing on the Stalking Horse Agreements with the Stalking Horse Bidders. The disposition of the Purchased Assets will not control the terms of a future plan. The allocation of the proceeds will be determined by a plan and not by the terms of the Stalking Horse Agreement. Further, a timely sale is important in this case in order to preserve the continuity of services to the Debtors' patients.

31. The Debtors request that the Court approve the sale of the Purchased Assets free and clear of all liens, claim, and encumbrances. In evaluating such a sale, a court must balance the need for flexibility with the concern of affected creditors. *In re Terrace Gardens Park P'ship*, 96 B.R. 707, 715 (Bankr. W.D. Tex. 1989). The Court must also determine that creditors' lien rights are adequately protected and that the offered price is the highest price and/or best terms obtainable under the circumstances in the particular case. *Id.*; *In re Beker Indus. Corp.*, 63 B.R. 474, 477-78 (Bankr. S.D.N.Y. 1986).

32. The Debtors maintain that one of the five subsections of section 363(f) will be satisfied and, therefore, the Debtors may sell the Purchased Assets free and clear of all liens, claims, and encumbrances. Specifically, the Debtors submit that any such lien, claim, or encumbrance will be adequately protected by attachment to the net proceeds of the sale, subject to any claims and defenses the Debtors may possess with respect thereto and/or the Debtors will obtain the consent of the party holding the lien, claim or encumbrance. Accordingly, the Debtors request that the Purchased Assets be sold to the Stalking Horse Bidders or the successful bidder free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances attaching to the proceeds of the sale of the Purchased Assets.

**F. Authorization of Assumption and Assignment of Executory Contracts and Unexpired Leases**

33. To enhance the value to the Debtors of the proposed sale, the Debtors request approval under Bankruptcy Code section 365 of the Debtors' assumption and assignment of the Desired 365 Contracts to the Stalking Horse Bidders or the successful bidders. The Debtors further request that the Sale Order provide that the Desired 365 Contracts will be transferred to, and remain in full force and effect for the benefit of, the Stalking Horse Bidders or the successful bidder notwithstanding any provisions in the Desired 365 Contracts, including those described in Bankruptcy Code sections 365(b)(2) and (f)(1) and (3) that prohibit such assignment.

34. Adequate assurance of future performance depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." *EBG Midtown S. Corp. v. McLaren/Hart Env. Eng'g Corp. (In re Sanshoe Worldwide Corp.)*, 139 B.R. 585, 593 (S.D.N.Y. 1992); *In re Rachels Indus., Inc.*, 109 B.R. 797, 803 (Bankr. W.D. Tenn. 1990); see also *In re Prime Motor Inns Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994) ("[a]lthough no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance."). Adequate assurance may be provided by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. See, e.g., *In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance is present when prospective assignee of lease from debtor has financial resources and has expressed willingness to devote sufficient funding to business to give it strong likelihood of succeeding).

35. The Debtors will present facts at the Sale Hearing to show the financial credibility, willingness, and ability of the Stalking Horse Bidders or the successful bidders to perform under the Desired 365 Contracts. The Sale Hearing thus will afford the Court and other

interested parties the opportunity to evaluate the ability of the Stalking Horse Bidders or the successful bidder to provide adequate assurance of future performance under the Desired 365 Contracts, as required under Bankruptcy Code section 365(b)(1)(C). Further, as set forth above, the Debtors will give notice to all parties to the Desired 365 Contracts of their intention to assume the Desired 365 Contracts and what the Debtors believe are the Cure Amounts. Accordingly, the Court should authorize the Debtors to assume and assign the Desired 365 Contracts to the Stalking Horse Bidders or the successful bidder.

36. Accordingly, the Debtors request that the Court (i) enter the Bid Procedures Order; (ii) schedule the Sale Hearing to consider the Sale Order; and (iii) grant the Debtors other just relief.

**WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(h)**

37. Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of 14 (fourteen) days after the entry of the order, unless the court orders otherwise.” Here, an expeditious closing of a sale is necessary and appropriate to maximize value for the estates and is a requirement under the Debtors’ post-petition financing. Accordingly, the Debtors request that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

38. Accordingly, the Debtors request that the Court (i) enter the Bid Procedures Order; (ii) schedule the Sale Hearing to consider the Sale Order; and (iii) grant the Debtors other just relief.

**NOTICE**

39. Notice of this Motion shall be given to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to mtashman@reedsmith.com and llim@reedsmith.com, counsel to KeyBank National Association in its capacity as Agent and DIP Agent; (d) the United States Attorney's Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) any party known to have asserted a Lien on the Purchased Assets; (g) all known affected federal, state, and local regulatory, and taxing authorities; (h) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; and (j) any party required to be served under Bankruptcy Local Rule 9013-1(d) (the parties listed in (a) - (j) above, the "Notice Parties"). Due to the nature of the relief requested, the Debtors submit that no other or further notice need be provided.

**CONCLUSION**

40. The Debtors respectfully request that the Court enter the Bidding Procedures Order now and the Sale Order after the Sale Hearing and granting such other and further relief as is just and proper.

Dated: Houston, Texas  
\_\_\_\_\_, 2018

**PORTER HEDGES LLP**

By: /s/ John F. Higgins

John F. Higgins  
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**PROPOSED COUNSEL FOR DEBTORS  
AND DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

I certify that on \_\_\_\_\_, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System in the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Eric. M. English* \_\_\_\_\_

Eric M. English

**EXHIBIT C**

**Bidding Procedures Order**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

	§	
<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>NEIGHBORS LEGACY HOLDINGS, INC.,</b>	§	<b>Case No. 18-_____</b>
<i>et al.,</i>	§	
	§	<b>(Jointly Administered)</b>
<b>Debtors.<sup>1</sup></b>	§	

**ORDER (A) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF  
DEBTORS' ASSETS AND (B) APPROVING AUCTION BID PROCEDURES,  
INCLUDING PAYMENT OF BID PROTECTIONS**  
[Related to Docket No. \_\_\_]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)<sup>2</sup> for (i) entry of an order (a) authorizing and scheduling an auction for the sale of Debtors’ Assets and (b) approving auction bid procedures, including payment of bid protections. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion. The relief requested by the Motion is in the best interests of the Debtors, their estates, creditors, stakeholders, and other parties in interest and the Debtors’ gave sufficient and proper notice of the Motion and related hearings. Upon consideration of the Motion and after hearing and considering all evidence in support of the Motion during proceedings before this Court, the Court finds that good cause exists to grant the requested relief.

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> Except as otherwise provided in this Order, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1. Pursuant to Bankruptcy Rule 7052, made applicable by Bankruptcy Rule 9014, the Court makes the following **FINDINGS OF FACT AND CONCLUSIONS OF LAW**:

a. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion.

b. Notice of the Motion and any related hearings was sufficient and complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules. Notice of the Motion has been given to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com) and [llim@reedsmith.com](mailto:llim@reedsmith.com), counsel to KeyBank National Association in its capacity as Agent and DIP Agent; (d) the United States Attorney's Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) any party known to have asserted a Lien on the Purchased Assets; (g) all known affected federal, state, and local regulatory, and taxing authorities; (h) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; and (j) any party required to be served under Bankruptcy Local Rule 9013-1(d). No further notice of the Motion, any related hearings, or this Order is necessary or required.

c. The Bid Procedures were proposed by the Debtors in good faith with the goal of maximizing the value of the Business and the Assets for the benefit of all creditors of their estates.

d. Approval of any reimbursement or breakup fee and entry of this Order is (i) a necessary and appropriate inducement to the Stalking Horse Bidder (1) to make an initial offer which will serve as a “floor” for further bidding, and (2) to enter into the Stalking Horse Agreement(s) and consummate the transactions contemplated thereby, and (ii) a condition precedent to closing the transactions contemplated by the Stalking Horse Agreement(s).

**IT IS THEREFORE ORDERED THAT**

1. The Motion is granted to the extent set forth in this Order. Any objections to the Motion that have not been resolved or withdrawn are hereby overruled on the merits. The Bid Procedures, attached as **Exhibit A**, are hereby approved and shall be used in connection with the proposed sale of the Assets. The form of Stalking Horse Agreement(s) attached to this Order as **Exhibit B** is approved.

2. Objections (if any) to approval of the Stalking Horse Bidder as the party submitting the Highest and Best Bid or to approval of a proposed sale of the Assets to the Stalking Horse Bidder, shall be in writing, shall set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with the Court and served upon each of the following so as to be actually received on or before \_\_:0\_\_m. (local time in Houston, Texas) on \_\_\_\_\_, 2018: (i) counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, Attention: John F. Higgins, Esq. (email: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)) and Eric M. English, Esq. (email: [eenglish@porterhedges.com](mailto:eenglish@porterhedges.com)),

and (ii) counsel to the Stalking Horse Bidder, Attention: Anwar-i-Qadeer, Esq. (email: [qadeer@qadeerlaw.com](mailto:qadeer@qadeerlaw.com)).

3. Objections (if any) to approval of any party other than the Stalking Horse Bidder as the party submitting the Highest and Best Bid or to approval of the proposed sale of the Assets to a party other than the Stalking Horse Bidder, shall be in writing, shall set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with the Court and served upon each of the following so as to be actually received on or before \_\_: \_\_m. (local time in Houston, Texas) on \_\_\_\_\_, 2018: (i) counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, Attention: John F. Higgins, Esq. (email: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)) and Eric M. English Esq. (email: [eenglish@porterhedges.com](mailto:eenglish@porterhedges.com)), and (ii) counsel to the Stalking Horse Bidder, Attention: Anwar-i-Qadeer, Esq. (email: [qadeer@qadeerlaw.com](mailto:qadeer@qadeerlaw.com)).

4. Any objection not filed and served in accordance with the preceding two paragraphs shall be deemed waived and shall be forever barred.

5. The failure of any third party to file and serve an objection to the sale as ordered and directed herein shall be deemed the consent of such party to the granting of the Motion and the sale and transfer of the Assets.

6. No later than 10 (ten) days prior to the Sale Hearing, the Debtors will file with the Court and serve on each non-debtor party to an executory contract or unexpired lease a notice setting forth the amount of cure owed thereunder according to the Debtors' books and records (the "Cure Notice"). The Cure Notice shall state the cure amount that the Debtors believe is necessary to assume such contract or lease pursuant to Bankruptcy Code section 365 (the "Cure Amount"), and notify each non-debtor party that such party's lease or contract may be assumed

and assigned to the Stalking Horse Bidder or to the successful bidder to be identified at the conclusion of the Auction.

7. No later than five (5) days prior to the Sale Hearing, any objection to the Cure Amount must be filed with the Court (the "Cure Objection Deadline"). Any objection to the Cure Amount must state with specificity what cure the non-debtor party to the executory contract or unexpired lease believes is required with appropriate documentation in support thereof. If no objection is timely received, the Cure Amount set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any executory contract, unexpired lease or other document as of the date of the Cure Notice; the non-debtor party to the executory contract or unexpired lease shall be deemed to have stipulated that the Cure Amount set forth in the Cure Notice is correct; the non-debtor party shall be forever barred, estopped and enjoined from asserting or claiming that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such contract or lease or that there is any objection or defense to the assumption and assignment of such contract or lease, including any argument that there exist conditions to assumption and assignment that must be satisfied under such contract or lease or that any required consent to assignment has not been given.

8. Following entry of this Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment, to select one or more bidders to act as a stalking horse bidder.

9. In the event that the Debtors consummate an Alternative Transaction (as such term is defined in the Stalking Horse Agreement(s)), which would include a sale of the Purchased Assets to any party other than a Stalking Horse Bidder, or fail to conduct the Auction or sell the Purchased Assets in compliance in all material respects with the Bid Procedures

Order, the Debtors are directed to incur and pay the Bid Protections, in accordance with the Bidding Procedures, in connection with any stalking horse agreement with a Stalking Horse Bidder if the Debtors Determine that the Bid Protections is in the best interest of the Debtors' estates. To the extent a determination is made to provide for and pay the Bid Protections, the Debtors will file a notice of such determination, and such Bid Protections may be paid without further action or order by the Court.

10. The Bid Procedures and the Bid Protections are fair and reasonable, are reasonably calculated to produce the best and highest offers for the Assets, and will confer actual benefits upon the Debtors' estates. The Bid Procedures and the Bid Protections represent an exercise of the Debtors' sound business judgment and will facilitate an orderly sale process.

11. The Debtors shall serve a copy of this Order as contemplated in the Motion.

Dated: Houston, Texas  
\_\_\_\_\_, 2018

\_\_\_\_\_  
**THE HONORABLE \_\_\_\_\_,**  
**UNITED STATES BANKRUPTCY JUDGE**

**Exhibit A to Bidding Procedures Order**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

<p><b>In re:</b></p> <p><b>NEIGHBORS LEGACY HOLDINGS, INC.,</b> <i>et al.,</i></p> <p style="text-align: center;"><b>Debtors.<sup>1</sup></b></p>	§ § § § § §	<p><b>Chapter 11</b></p> <p><b>Case No. 18-_____</b></p> <p><b>(Jointly Administered)</b></p>
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**BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS’ ASSETS**

On [\_\_\_\_], 2018, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered the *Order (A) Approving Auction and Bid Procedures, Including Bid Protections, and (B) Authorizing and Scheduling An Auction for the Sale of Debtors’ Assets* [Docket No. \_\_\_\_] (the “Bidding Procedures Order”), which approved the Bidding Procedures set forth herein. Accordingly, these Bidding Procedures set forth the process by which the Debtors are authorized to conduct an auction (the “Auction”) for the sale (the “Sale”) of substantially all of the Debtors’ assets in one or more asset packages (each an “Asset Package,” and, collectively, the “Assets”).

1. **Assets to be Sold.** The Debtors seek to sell substantially all of their Assets in one or more Asset Packages, as described in each respective Stalking Horse Agreement (the “Purchased Assets”). Pursuant to the Stalking Horse Agreements, one Asset Package includes the Debtors’ Houston area locations and one Asset Package includes substantially all of the Debtors’ other locations. The Debtors are considering all bid proposals but are seeking a comprehensive sale of their Assets and therefore encourage bidders to provide flexibility with regard to Assets included in proposals.

2. **Free and Clear of Any and All Claims and Interests.** Except as otherwise provided in the Stalking Horse Agreements, or another successful bidder’s purchase agreement, all of the Debtors’ right, title, and interest in and to the Purchased Assets subject thereto shall be sold free and clear of all liens, claims and interests (collectively, the “Encumbrances”) to the maximum extent permitted by Section 363 of the Bankruptcy Code (other than Permitted Liens and Assumed Liabilities), with such Encumbrances to attach to the net proceeds of the sale of the Purchased Assets with the same validity and priority as such Encumbrances applied against the Purchased Assets.

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<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order. In the event of a conflict, the terms of the Bidding Procedures Order shall prevail.

3. **Bid Deadline.** On or before \_\_: \_\_.m. Central Time on \_\_\_\_\_, 2018 (the “Bid Deadline”), Qualified Bids must be delivered to:

- (1) The Debtors’ proposed investment banker, Attn: Andrew Turnbull, Houlihan Lokey Capital, Inc., 111 South Wacker Drive, 37th Floor, Chicago, IL 60606, [aturnbull@hl.com](mailto:aturnbull@hl.com);
- (2) The Debtors’ CRO, Attn: Chad J. Shandler, CohnReznick LLP, 1301 Avenue of the Americas, New York, New York 10019, [chad.shandler@cohnreznick.com](mailto:chad.shandler@cohnreznick.com);
- (3) The Debtors’ proposed counsel, Attn: John F. Higgins, Porter Hedges LLP, 1000 South Main, 36th Floor, Houston, Texas 77002, [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com); and
- (4) The Agent’s counsel, Attn: Matthew E. Tashman, Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103, [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com).

4. **Qualified Bidders.** Only Qualified Bidders may participate in the bidding process. Except as otherwise set forth in these Bid Procedures, to become a Qualified Bidder, by the Bid Deadline, a potential bidder must (i) execute and deliver to the Debtors an acceptable confidentiality agreement prepared by the Debtors (such bidder thereafter an “Approved Bidder”), (ii) deposit with the Debtors, in cash, 10% of the bidder’s proposed purchase price (each, “Alternative Bidder’s Deposit”), which deposit shall be refundable as described below; (iii) submit to the Debtors an unqualified and binding bid in an amount of total consideration that exceeds the consideration of any applicable Stalking Horse Agreement, plus the applicable Bid Protections, plus \$250,000 (provided, however, in the event that the bid is for different Assets than the Asset Packages contemplated by the Stalking Horse Agreements, such consideration shall reasonably represent a premium to an approximate allocation of the Stalking Horse Agreement consideration; provided further, that in determining the value of the Bid, the Debtors will not be limited to evaluating the dollar value of the consideration but may also consider other factors including the speed, certainty and value of the proposed transaction), along with an executed written agreement that is substantially identical to the form of the Stalking Horse Agreement with a redline showing any changes from the Stalking Horse Agreement, and (iv) submit to the Debtors financial and other information, including support indicating the availability of funds to satisfy its purchase price, sufficient to allow the Debtors to make a reasonable determination as to such bidder’s ability to consummate a sale as contemplated herein (each, a “Qualified Bid”).

5. **Due Diligence.** Only Approved Bidders shall be eligible to receive due diligence information and access to the Debtors’ electronic data room and to additional non-public information regarding the Debtors. The Debtors will provide to each Approved Bidder reasonable due diligence information, as requested by such Approved Bidder in writing, as soon as reasonably practicable after such request, and the Debtors shall post all written due diligence provided to any Approved Bidder to the Debtors’ electronic data room. For all Approved Bidders, the due diligence period will end on the Bid Deadline, and subsequent to the expiration

of the due diligence period, the Debtors shall have no obligation to furnish any due diligence information.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale to any person except to an Approved Bidder or to such Approved Bidder's duly authorized representatives to the extent expressly permitted by the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Approved Bidders for additional information and due diligence access; *provided that* the Debtors may decline to provide such information to Approved Bidders who, at such time and in the Debtors' reasonable business judgment after consultation with KeyBank National Association as Agent for certain lenders (the "Agent"), have not established, or who have raised doubt, that such Approved Bidder intends in good faith to, or has the capacity to, consummate the applicable Sale.

The Debtors also reserve the right to withhold any diligence materials that the Debtors determine are sensitive after notifying the Approved Bidder requesting such materials of such determination. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Approved Bidder in accordance with these Bidding Procedures

6. **Due Diligence from Bidders.** Each Approved Bidder/Qualified Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors regarding the ability of the Approved Bidder/Qualified Bidder to consummate the applicable Sale. Failure by an Approved Bidder/Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors to determine, with the consent of the Agent, that such bidder is no longer an Approved Bidder/Qualified Bidder or that a bid made by such Qualified Bidder is not a Qualified Bid.

The Debtors and each of their respective advisors and representatives shall be obligated to maintain in confidence any confidential information in accordance with any applicable Confidentiality Agreement, except as otherwise set forth in these Bidding Procedures. Each recipient of confidential information agrees to use, and to instruct their advisors and representatives to use, such confidential information only in connection with the evaluation of Bids during the bidding process or otherwise in connection with these Chapter 11 Cases or in accordance with the terms of any applicable Confidentiality Agreement.

Notwithstanding the foregoing and the provisions contained in any applicable Confidentiality Agreement, the Debtors and the Debtors' advisors may disclose confidential information: (i) with the prior written consent of such bidder and the Debtors; (ii) to the applicable bidder; and (iii) as otherwise required or allowed by any applicable confidentiality agreement with respect to a particular bidder or other agreement, law, court or other governmental order, or regulation, including, as appropriate, to regulatory agencies.

7. **Communications with Qualified Bidders.** Notwithstanding anything to the contrary in these Bidding Procedures, all direct communications between and amongst Approved Bidders or Qualified Bidders shall involve the Debtors and the Debtors' advisors. No Approved

Bidder shall communicate with any other Approved Bidder absent prior written consent from the Debtors.

8. **Notice of Qualified Bidders.** Promptly following the bid deadline, the Debtors shall file a notice with the Court identifying all Qualified Bidders. The Debtors shall serve a copy of the notice and the corresponding bids on all Qualified Bidders by (a) facsimile or electronic mail or (b) overnight delivery.

9. **Stalking Horse Bidders.** Each Stalking Horse Agreement shall be deemed a Qualified Bid. Each Stalking Horse Bidder is and shall be deemed to be a Qualified Bidder. If no other Qualified Bids are received, each Stalking Horse Bidder shall be deemed the Highest and Best Bid (as defined below) for each respective Asset Package and the Debtors shall seek approval of a sale to the Stalking Horse Bidders on the terms of the Stalking Horse Agreements at the Sale Hearing.

10. **Auction.** If one or more timely Qualified Bids are received by the Bid Deadline, an auction for the Purchased Assets will be conducted within three (3) days following the Bid Deadline, starting at 10:00 a.m. Central Time at the offices of Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002. Only Qualified Bidders may participate in the Auction. The Agent can attend the auction regardless of whether it submits a bid and becomes a Qualified Bidder. If the Agent submits a bid, any requirement in these Bid Procedures that the Debtors have to consult with the Agent about the sale shall terminate with regard to the assets that are the subject of the Agent's bid. All Qualified Bidders, or their authorized representatives with authority to bind the Qualified Bidder, must be physically present at the Auction. At the commencement of the Auction, the Debtors shall announce the bidding order, which shall be based on various factors including the amount of the Qualified Bidder's bid (from low to high). Initial Minimum overbid increments at the Auction shall be in the amount of not less than \$150,000 cash (the "Initial Minimum Overbid"). At the Debtors' discretion, in consultation with the Agent provided that the Agent has not submitted a bid, the Debtors can change or alter the bidding order, the amount of the Initial Minimum Overbid, or any subsequent overbid amount, and allow or disallow Qualified Bidders to pass in any given round and otherwise conduct the Auction in a way that they believe will maximize value. All bidding for the Purchased Assets will be concluded at the Auction and there will be no further bidding at the Sale Hearing.

11. **Selection of the Highest and Best Bid.** At the conclusion of the Auction, the Debtors will announce the highest and/or best Qualified Bid submitted by a Qualified Bidder (the "Successful Bidder") and the next highest and/or best Qualified Bid (the "Back-Up Bid") submitted by a Qualified Bidder (the "Backup Bidder"). The Debtors will seek approval of the Highest and Best Bid at the Sale Hearing. If for any reason, the Qualified Bidder submitting the Highest and Best Bid fails to timely consummate the purchase of the Purchased Assets, the Debtors may seek to consummate a sale based on the Back-Up Bid without further approval by the Court. The Back-Up Bid and the obligation of the party submitting such bid to consummate the purchase of the Purchased Assets shall remain open and in full force, including with respect to the Alternative Bidder's Deposit, until the close of a sale of the Purchased Assets to the party making the Highest and Best Bid or the party making the Back-Up Bid.

12. **Sale Hearing.** A hearing to approve a sale based on the Highest and Best Bid shall take place on \_\_\_\_\_, 2018, at \_\_\_\_: \_\_\_\_m. in Courtroom \_\_\_\_, on the fourth floor of the United States Courthouse, 515 Rusk, Houston, Texas 77002.

13. **Deadline to Object to Sale.** All objections to the proposed sale must be filed two (2) days prior to the Sale Hearing.

14. **Return of Deposits.** Within three (3) business days after the conclusion of the Auction, the Debtors shall return by check or wire the full amount of each Alternative Bidder's Deposit submitted by a party that is not selected as submitting either the Highest and Best Bid or the Back-Up Bid. If the sale of the Purchased Assets is consummated with the party submitting the Highest and Best Bid, the Alternative Bidder's Deposit of the party that is declared the Back-Up Bid shall be returned by check or wire transfer within three business days after the closing of the sale to the party submitting the Highest and Best Bid.

15. **Right to Credit Bid.** For purposes hereof, should the Agent submit a credit bid, the Agent shall be deemed to be an Approved Bidder, and any such credit bid shall be considered a Qualified Bid and may be submitted at any time prior to or at the Auction provided that it otherwise complies with the requirements for a Qualified Bid as set forth above, provided that the Agent shall not be entitled to any Bid Protections (as defined in Section 13 hereof). The Agent does not have to provide a deposit in order to be an Approved Bidder. Credit bids, if any, by the Agent will not impair or otherwise affect the Stalking Horse Bidders' entitlement to the Bid Protections granted under the Bidding Procedures Order

16. **Notice of Bid Procedures, Auction, and Sale Hearing.** On the next business day following the entry of the Bid Procedures Order, the Debtors will serve by first-class mail a copy of the Order and a notice containing the date of the Bid Deadline, Auction, the Sale Hearing, and the deadline to file objections to the sale to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to mtashman@reedsmith.com and llim@reedsmith.com, counsel to the Agent; (d) the United States Attorney's Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) any party known to have asserted a Lien on the Purchased Assets; (g) all known affected federal, state, and local regulatory, and taxing authorities; (h) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; Such notice shall be sufficient and proper notice of the sale with respect to known interested parties.

17. **Stalking Horse and Bid Protections for Assets Not Already Subject to a Stalking Horse Agreement Approved in the Bidding Procedures Order.** Following entry of the Bidding Procedures Order, the Debtors shall be authorized, but not required, in an exercise of their business judgment, to select one or more bidders to act as a stalking horse bidder for assets not already subject to a Stalking Horse Agreement. The Debtors are authorized, but not required, to incur and pay Bid Protections to a purchaser of such assets consisting of: a break-up fee and expense reimbursement not to exceed 5% in the aggregate for the applicable sale in connection with any Stalking Horse Agreement with a Stalking Horse Bidder if the Debtors determine that

paying the Bid Protections is in the best interests of the Debtors' estates, creditors, and parties in interest. To the extent such determination is made to provide for and pay such Bid Protection, the Debtors will file a notice of such determination, and such Bid Protections may be paid without further action or order by the Court.

Dated: Houston, Texas  
\_\_\_\_\_, 2018

**PORTER HEDGES LLP**

By: /s/ John F. Higgins  
John F. Higgins  
State Bar No. 09597500  
Eric M. English  
State Bar No. 24062714  
1000 Main Street, 36th Floor  
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Telephone: (713) 226-6000  
Fax: (713) 228-1331

**PROPOSED COUNSEL FOR DEBTORS  
AND DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

I certify that on \_\_\_\_\_, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System in the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Eric. M. English* \_\_\_\_\_

Eric M. English

**EXHIBIT D**

**Sale Order**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

	§	
<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>NEIGHBORS LEGACY HOLDINGS, INC.,</b>	§	<b>Case No. 18-_____</b>
<i>et al.,</i>	§	
	§	<b>(Jointly Administered)</b>
<b>Debtors.<sup>1</sup></b>	§	

**ORDER (A) APPROVING THE SALE OF DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF ([HOUSTON] CENTERS)**  
[Relates to Docket No. \_\_]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)<sup>2</sup> for entry of an order (this “Order”), among other things, (a) approving the sale (the “Sale”) of Debtors’ assets free and clear of all liens, claims, encumbrances, and interests, to [NAME OF BUYER] (or any permitted assignee pursuant to the terms of the Purchase Agreement, the “Buyer”), pursuant to the Asset Purchase Agreement between the Debtors and the Buyer, dated as of \_\_\_\_\_, 2018 (as such agreement has been heretofore and may hereafter be amended, restated or supplemented, including as modified during the Auction, the “Purchase Agreement”), a copy of which (including all exhibits and schedules thereof) is attached hereto as **Exhibit 1** and is incorporated herein by reference as if set

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<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Purchase Agreement (as defined herein), as applicable; *provided* that in the event of any conflict with respect to the meaning of a capitalized term between the Motion and the Purchase Agreement, the meaning ascribed to such term in the Purchase Agreement shall control.

forth herein, free and clear of all Liens, Claims, and Interests (each as defined herein); and (b) authorizing the assumption and assignment of executory contracts and unexpired leases; and the Debtors having filed the *Notice of Sale Hearing* [Docket No. \_\_\_] (the “Notice of Sale Hearing”) stating that the Debtors would conduct an auction (the “Auction”) for the Assets in the event that the Debtors received a Qualified Bid prior to the Bid Deadline; and the Debtors having filed the Notice of Prevailing Bid and Back-Up Bid of Debtors’ Assets [Docket No. \_\_\_] (the “Notice of Prevailing Purchaser”) identifying the Buyer as the Prevailing Purchaser for the Assets in accordance with the Bid Procedures Order; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors and their estates, their creditors, their equity interest holders, and all other parties in interest; and the Court having reviewed the Motion and having heard the statements and evidence in support of the relief requested therein at a hearing before the Court that commenced on \_\_\_\_\_, 2018, where the Court considered entry of the Bid Procedures Order (the “Bid Procedures Hearing”) and the hearing before the Court that commenced on \_\_\_\_\_, 2018, where the Court considered entry of this Order (the “Sale Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion, at the Bid Procedures Hearing, and at the Sale Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, Pursuant to Bankruptcy Rule 7052, made applicable by Bankruptcy Rule 9014, the Court makes the following **FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

**Jurisdiction and Venue**

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. Without limiting the generality of the foregoing, this Court has exclusive *in rem* jurisdiction over

the Assets pursuant to 28 U.S.C. § 1334(e), as such Assets are property of the Debtors' chapter 11 estates, and, as a result of such jurisdiction, this Court has all necessary power and authority to grant the relief contained herein. This matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N), and (O). Venue in this district is allowed under 28 U.S.C. § 1408.

### **Statutory Predicates**

B. The statutory and other legal bases for the relief requested in the Motion are sections 105(a), 363, and 365 of the Bankruptcy Code, as supplemented by Bankruptcy Rules 2002, 6004, 6006, 9007, 9008 and 9014. The consummation of the transactions contemplated by the Purchase Agreement and this Order (collectively, the "Transactions") is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and the Debtors and the Buyer and its affiliates have complied with all of the applicable requirements of such sections and rules in respect of the Transactions.

### **Notice**

C. As evidenced by the affidavits and/or certificates of service filed with the Court,<sup>3</sup> proper, timely, adequate, and sufficient notice of, *inter alia*, the Motion, the Bid Procedures,<sup>4</sup> the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs (as defined below), the Sale Hearing, and all deadlines related thereto, has been provided, as relevant, in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008 and 9014, and in compliance with the Bid Procedures Order to all creditors, parties-in-interest, and other interested persons and entities.

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<sup>3</sup> Such affidavits and/or certificates of service were filed by the Debtors on the docket of these cases at Docket Nos. \_\_, \_\_, \_\_, \_\_.

<sup>4</sup> For the avoidance of doubt, the term "Bid Procedures" in this Order shall mean the Bid Procedures approved by the Bid Procedures Order.

D. In accordance with the Bid Procedures Order, the Debtors served the Cure Notice on each of the non-Debtor counterparties to the Desired 365 Contracts. The service of the Cure Notice was sufficient under the circumstances and in full compliance with the Bid Procedures Order, and no further notice need be provided in respect of the Debtors' assumption and assignment to the Buyer of the Desired 365 Contracts or the Cure Costs. All non-Debtor counterparties to the Desired 365 Contracts have had an adequate opportunity to object to the assumption and assignment of the Desired 365 Contracts and the Cure Costs.

E. The notice described in the foregoing paragraphs is good, sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the Bid Procedures, the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto is or shall be required.

#### **Marketing and Sale Process**

F. The Sale of the Assets to the Buyer is duly authorized pursuant to sections 363(b)(1) and 363(f) of the Bankruptcy Code and Bankruptcy Rule 6004(f). As demonstrated by (i) testimony and other evidence proffered or adduced at the Bid Procedures Hearing and the Sale Hearing and (ii) the representations of counsel made on the record at the Bid Procedures Hearing and the Sale Hearing, the Debtors and their professionals, agents, and other representatives have marketed the Assets and conducted all aspects of the sale process in good faith and, where applicable, in compliance with the Bid Procedures and the Bid Procedures Order. The marketing process undertaken by the Debtors and their professionals, agents and other representatives with respect to the Assets has been adequate and appropriate and reasonably calculated to maximize value for the benefit of all stakeholders. The Bid Procedures

and the Auction were duly noticed, were substantively and procedurally fair to all parties, and were conducted in a diligent, non-collusive, fair and good-faith manner. The Purchase Agreement constitutes the best and highest offer for the Assets.

G. The Bid Deadline passed at 5:00 p.m. (prevailing Central Time), on \_\_\_\_\_, 2018. The Debtors conducted an Auction on \_\_\_\_\_, 2018 in accordance with the Bid Procedures and Bid Procedures Order. Pursuant to the terms of the Bid Procedures, the Transaction contemplated by the Purchase Agreement was the highest and best bid for the Assets at the Auction and, therefore, was designated as the Highest and Best Bid. On \_\_\_\_\_, 2018, the Debtors filed the Notice of Prevailing Purchaser identifying the Buyer as the Successful Bidder submitting the Highest and Best Bid for the Assets in accordance with the Bid Procedures Order. As established by the record of the Bid Procedures Hearing and the Sale Hearing, the bidding and related procedures established by the Bid Procedures Order have been complied with in all material respects by the Debtors and the Buyer and all of its affiliates. The Bid Procedures afforded a full, fair and reasonable opportunity for Qualified Bidders to make a higher or otherwise better offer to purchase the Assets, and no such offer was received by the Debtors.

#### **Corporate Authority**

H. The Assets constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section 541 of the Bankruptcy Code. The Debtors (i) have full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby, and the Sale to the Buyer has been duly and validly authorized by all necessary corporate action, (ii) have all of the corporate power and authority necessary to consummate the Sale and the Transactions contemplated by the Purchase Agreement, (iii) have

taken all corporate action necessary to authorize and approve the Purchase Agreement and the consummation by the Debtors of the Sale and the Transactions contemplated thereby, and (iv) require no consents or approvals, other than those expressly provided for in the Purchase Agreement, to consummate the Transactions.

**Highest and Best Offer; Business Judgment**

I. The Debtors have demonstrated a sufficient basis to enter into the Purchase Agreement, sell the Assets on the terms outlined therein, and assume and assign the Desired 365 Contracts to the Buyer under sections 363 and 365 of the Bankruptcy Code. All such actions are appropriate exercises of the Debtors' business judgment and are in the best interests of the Debtors, their creditors, their equity interest holders, their estates and other parties in interest. Approval of the Sale pursuant to the Purchase Agreement at this time is in the best interests of the Debtors, their creditors, their equity interest holders, their estates, and all other parties in interest.

J. The offer of the Buyer, upon the terms and conditions set forth in the Purchase Agreement, including the total consideration to be realized by the Debtors thereunder, (i) is the highest and best offer received by the Debtors as a result of its marketing process, including through the Bid Procedures and the Auction, (ii) is in the best interests of the Debtors, their creditors, their equity interest holders, their estates and other parties in interest, and (iii) constitutes full and adequate consideration, is fair and reasonable and constitutes reasonably equivalent value, fair consideration, and fair value for the Assets under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, and under the laws of the United States, any state, territory, possession, or the District of Columbia. Taking into consideration all relevant factors and

circumstances, no other person or entity has offered to purchase the Assets for greater economic value to the Debtors or their estates.

K. There has been no showing that any of the Debtors or Buyer (i) has entered into the Purchase Agreement or proposes to consummate the Transactions for the purposes of hindering, delaying, or defrauding the Debtors' present or future creditors or (ii) is entering into the Purchase Agreement or proposing to consummate the Transactions fraudulently, for the purpose of statutory or common law fraudulent conveyance or fraudulent transfer claims, whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof or the District of Columbia or any other applicable jurisdiction with laws substantially similar to the foregoing.

L. The sale of the Assets outside a chapter 11 plan pursuant to the Purchase Agreement neither impermissibly restructures the rights of the Debtors' creditors or equity interest holders nor impermissibly dictates the terms of a chapter 11 plan of the Debtors. The sale of the Assets does not constitute a *sub rosa* chapter 11 plan.

**Opportunity to Object**

M. A reasonable opportunity to object or be heard with respect to the Motion, the Bid Procedures, the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto has been afforded to all creditors, equity holders, parties-in-interest, and other interested persons and entities.

**Good Faith Purchaser; Arm's Length Sale**

N. The Purchase Agreement was negotiated, proposed, and entered into by the Debtors and the Buyer without collusion, in good faith, and from arm's length bargaining

positions. Neither the Debtors, the Buyer, nor any parent or affiliate of the Buyer has engaged in any conduct that would cause or permit the Purchase Agreement or the Sale to be avoided or otherwise challenged under section 363(n) of the Bankruptcy Code.

O. The Buyer is a good-faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

P. Neither the Buyer nor any of its affiliates, members, officers, directors, shareholders or any of its or their respective successors or assigns is an “insider” or “affiliate” of any of the Debtors, as those terms are defined in sections 101(31) and 101(2) of the Bankruptcy Code, and the Buyer and its professionals, agents and other representatives have complied in all respects with the Bid Procedures Order and all other applicable orders of this Court with respect to the Purchase Agreement. The Purchase Agreement complies with the Schedule and Procedures Order and all other applicable orders of this Court.

**Free and Clear Transfer Required by Buyer**

Q. If the Debtors did not sell the Assets free and clear of all Liens, Claims, and Interests, such a sale would have yielded substantially lower value for the Debtors’ estates, with less certainty than the Sale. The Buyer would not have submitted a bid, entered into the Purchase Agreement, and would not consummate the Sale, thus adversely affecting the Debtors, their estates, their creditors, and their equity interest holders if each of the Sale and the assumption and assignment of the Desired 365 Contracts to the Buyer were not free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, or if the Buyer would, or in the future could, be liable for any liabilities other than as agreed in the Purchase Agreement. For the avoidance of doubt, neither the Buyer nor any of its affiliates shall have any responsibility

whatsoever with respect to the Retained Liabilities, which shall remain the responsibility of the Debtors before, on, and after the Closing.

R. As of the Closing, pursuant and subject to the terms of the Purchase Agreement and this Order, the transfer of the Assets and the Sale will effect a legal, valid, enforceable, and effective transfer of the Assets and will vest the Buyer with all of the Debtors' rights, title, and interests in the Assets free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever except for the Specifically Assumed Liabilities.

**Satisfaction of Section 363(f)**

S. The Debtors may sell the Assets free and clear of any and all Liens, Claims, and Interests of any kind or nature whatsoever, including any rights or claims based on any putative successor or transferee liability, as set forth herein, because, in each case, one or more of the standards set forth in section 363(f)(1)–(5) of the Bankruptcy Code has been satisfied. All parties in interest, including, without limitation, any holders of Liens, Claims, and/or Interests, and any non-Debtor counterparties to the Desired 365 Contracts, who did not object, or who withdrew their objection, to the Sale, the Motion, the assumption and assignment of the applicable Desired 365 Contract or the associated Cure Cost are deemed to have consented to the relief granted herein pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Liens, Claims, or Interests and non-Debtor parties to Desired 365 Contracts that did not object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code or are adequately protected by having their Liens, Claims, or Interests, if any, attach to the portion of the Sale Proceeds (as defined below) received by the Debtors ultimately attributable to the Assets against which they assert an interest, in the order of their priority, with the same validity, force

and effect, if any, which they now have against such Assets, subject to any claims and defenses the Debtors or their estates may possess with respect thereto.

**No Successorship**

T. Neither the Buyer nor any of its affiliates are successors to the Debtors or their estates by reason of any theory of law or equity, and neither the Buyer nor any of its affiliates shall assume or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates, except as otherwise expressly provided in the Purchase Agreement.

**Assigned Contracts and Assigned Leases**

U. The Debtors have demonstrated (i) that it is an exercise of their sound business judgment to assume the Desired 365 Contracts and assign them to the Buyer in each case in connection with the consummation of the Sale and (ii) that the assumption and assignment of the Desired 365 Contracts to the Buyer is in the best interests of the Debtors, their estates, their equity interest holders, their creditors, and other parties in interest. The Desired 365 Contracts being assigned to the Buyer are an integral part of the Assets being purchased by the Buyer and, accordingly, such assumption, assignment and cure of any defaults under the Desired 365 Contracts are reasonable and enhance the value of the Debtors' estates. Each and every provision of the Desired 365 Contracts or applicable non-bankruptcy law that purport to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any Desired 365 Contract have been satisfied or are otherwise unenforceable under section 365 of the Bankruptcy Code. Any non-Debtor counterparty to a Desired 365 Contract that has not actually filed with the Court an objection to such assumption and assignment in accordance with the terms of the Motion is deemed to have consented to such assumption and assignment.

**Cure Costs and Adequate Assurance**

V. The Debtors and the Buyer, as applicable, have, including by way of entering into the Purchase Agreement and agreeing to the provisions relating to the Desired 365 Contracts therein, (i) cured, or provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Desired 365 Contracts within the meaning of section 365(b)(1)(A) of the Bankruptcy Code and (ii) provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Desired 365 Contracts within the meaning of section 365(b)(1)(B) of the Bankruptcy Code, and the Buyer has, based upon the record of these proceedings, including the evidence proffered by the Debtors at the Bid Procedures Hearing and the Sale Hearing, provided adequate assurance of its future performance of and under the Desired 365 Contracts pursuant to sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code. The Buyer's promise under the Purchase Agreement to perform the obligations under the Desired 365 Contracts after the Closing shall constitute adequate assurance of future performance under the Desired 365 Contracts being assigned to the Buyer within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code. The Cure Costs are hereby found to be the sole amounts necessary to cure any and all defaults under the Desired 365 Contracts under section 365(b) of the Bankruptcy Code and, upon payment of the portion of the Cure Costs with respect to which they are liable under the Purchase Agreement, pursuant to section 365(k) of the Bankruptcy Code, the Debtors shall have no further liability under the Desired 365 Contracts whatsoever other than to the Buyer pursuant to the Purchase Agreement.

**Time Is of the Essence; Waiver of Stay**

W. Time is of the essence in consummating the Sale. In order to maximize the value of the Assets, it is essential that the sale and assignment of the Assets occur within the time constraints set forth in the Purchase Agreement. Accordingly, there is cause to waive the stays contemplated by Bankruptcy Rules 6004 and 6006.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

**Objections Overruled**

1. All objections to the entry of this Order or to the relief granted herein, whether filed, stated on the record before this Court which could have been raised but were not or otherwise, which have not been withdrawn, waived, or settled, and all reservations of rights included therein, are denied and overruled on the merits. All objections to the entry of this Order or to the relief granted herein that were not timely filed are hereby forever barred.

2. Notice of the Motion, the Bid Procedures, the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.

**Approval of the Purchase Agreement**

3. The Purchase Agreement, including all of the terms and conditions thereof, is hereby approved. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors are authorized to sell the Assets to the Buyer subject to the terms of the Purchase Agreement and this Order and take any and all actions necessary to fulfill their obligations under, and comply with the terms of, the Purchase Agreement and to consummate the Sale pursuant to and in accordance with the terms and conditions of the Purchase Agreement and this Order, without

further leave of the Court. The Debtors are further authorized to pay, without further order of this Court, whether before, at, or after the Closing, any expenses or costs that are required to be paid in order to consummate the Transactions contemplated by the Purchase Agreement or perform their obligations under the Purchase Agreement, including breakup fees reimbursement expenses, etc. owed to the Stalking Horse Bidder (as defined in the Bid Procedures).

4. The Debtors are authorized, in accordance with the Purchase Agreement, to execute and deliver, and empowered to perform under, consummate, and implement, the Purchase Agreement, together with all additional instruments, documents, and other agreements that may be reasonably necessary or desirable to implement the Purchase Agreement, and to take all further actions as may be reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Assets, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement.

5. Subject to the terms and conditions of this Order, all entities that are in possession of some or all of the Assets on the Closing Date are directed to surrender possession of such Assets to the Buyer or its assignee on the Closing Date.

6. The Buyer and the Debtors have no obligation to proceed with the Closing unless and until all conditions precedent to their respective obligations to do so, as set forth in the Purchase Agreement, have been met, satisfied or waived in accordance with the terms of the Purchase Agreement.

7. Upon consummation of the Sale, all cash proceeds of the Sale (the "Sale Proceeds") shall be paid to the DIP Agent, provided that upon the Closing, the Debtors shall be permitted to retain a portion of the sale proceeds sufficient to satisfy all costs and expenses set

forth in a revised Budget to be reasonably acceptable to the DIP Agent covering the time period from the Closing until the effective date of any plan confirmed by the Court. All Liens, Claims, and Interests will attach to the Sale Proceeds to the same extent and with the same priority as existed prior to consummation of the Sale.

8. At the conclusion of the Auction, [NAME OF BACK-UP BIDDER] (the “Back-up Bidder”) was chosen by the Debtors to be the Back-up Bidder (as defined in the Bid Procedures). In the event the Buyer fails to close the Sale, the Debtors shall have the right to terminate the Purchase Agreement and accept the bid of the Back-up Bidder. In the event the Debtors accept the bid of the Back-up Bidder, the Debtors shall be permitted to close a sale to the Back-Up Bidder without further order from this Court.

**Binding Effect of Order**

9. This Order and the Purchase Agreement shall be binding upon all creditors of, and equity interest holders in, the Debtors and any and all other parties in interest, including, without limitation, any and all holders of Liens, Claims, and Interests (including holders of any rights or claims based on any putative successor or transferee liability) of any kind or nature whatsoever, all non-Debtor parties to the Desired 365 Contracts, the Buyer, the Debtors and their affiliates and subsidiaries, and any trustee or successor trustee appointed in the Debtors’ Chapter 11 Cases or upon a conversion to chapter 7 under the Bankruptcy Code or any subsequent bankruptcy that may be filed by the Debtors. The Purchase Agreement and the Transactions are not subject to rejection or avoidance (whether through any avoidance, fraudulent transfer, preference or recovery, claim, action or proceeding arising under chapter 5 of the Bankruptcy Code or under any similar state or federal Law or any other cause of action) by the Debtors, any chapter 7 or chapter 11 trustee of the Debtors’ bankruptcy estates or any other person or entity. The Purchase Agreement, this Order, and the Debtors’ obligations therein and herein shall not be altered,

impaired, amended, rejected, discharged or otherwise affected by any chapter 11 plan proposed or confirmed in these bankruptcy cases, any order confirming any chapter 11 plan, or any subsequent order of this Court without the prior written consent of the Buyer, to the extent of any conflict between this Order or the Purchase Agreement and such future plan or order, the terms of this Order and the Purchase Agreement shall control.

**Amendments to the Purchase Agreement**

10. The Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, supplemented or restated by the parties thereto in a writing signed by both parties and in accordance with the terms thereof, without further order of this Court, provided that any such modification, amendment, supplement or restatement does not have a material adverse effect on the Debtors' estates.

**Transfer of the Assets Free and Clear**

11. The Buyer shall assume and be liable for only those liabilities expressly assumed by Buyer pursuant to the Purchase Agreement. Except as expressly permitted or otherwise specifically provided for in the Purchase Agreement or this Order, pursuant to sections 105(a), 363(b), 363(f), and 365(b) of the Bankruptcy Code, upon the Closing, the Assets shall be transferred to the Buyer free and clear of any and all Liens, Claims, and Interests of any kind or nature whatsoever. For purposes of this Order, "Liens," "Claims," and "Interests" shall mean:

- a. any and all encumbrances, charges, liens (statutory or otherwise), claims, mortgages, leases, subleases, hypothecations, deeds of trust, pledges, security interests, options, rights of use or possession, rights of first offer or first refusal (or any other type of preferential arrangement), rights of consent, rights of offset, setoff and recoupment, successor liability, interests or rights under any agreement that is not a Desired 365 Contract, encroachments, encumbrances, restrictions on transferability of any type, any dedication under any gathering, transportation, treating, purchasing or similar agreement that is not assumed by or assigned to the Buyer, any rights that purport to give any party a right or option to effect any forfeiture, modification, right of first offer or first refusal, or consents, or

termination of the Debtors' or the Buyer's interest in the Assets, any similar rights, and third-party interests or any other restrictions or limitations of any kind with respect to the Assets (collectively, "Liens");

- b. any and all claims as defined in section 101(5) of the Bankruptcy Code and jurisprudence interpreting the Bankruptcy Code, including, without limitation, (i) any and all claims or causes of action based on or arising under any labor, employment or pension laws, labor or employment agreements, including any employee claims related to worker's compensation, occupational disease, or unemployment or temporary disability, including, without limitation, claims that might otherwise arise under or pursuant to (a) ERISA (as defined below), (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Age Discrimination and Employment Act of 1967 and Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act of 1990, (h) the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, including, without limitation, the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Internal Revenue Code and of any similar state law (collectively, "COBRA"), (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, (k) any other state or federal benefits or claims relating to any employment with the Debtors or any of their predecessors, or (l) the WARN Act (29 U.S.C. §§2101 et seq.), (ii) any rights under any pension or multiemployer plan (as such term is defined in Section 3(37) or Section 4001(a)(3) of the Employee Retirement Income Security Act of 1974 (as amended, "ERISA"), health or welfare, compensation or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plans of the Debtors or any multiemployer plan to which the Debtors have at any time contributed to or had any liability or potential liability, (iii) any and all claims or causes of action based upon or relating to any putative successor or transferee liability, (iv) any rights related to intercompany loans and receivables between the Debtors and any non-Debtor subsidiary or affiliate, (v) any and all claims or causes of action based upon or relating to any unexpired and executory contract or unexpired lease to which a Debtor is a party that is not a Desired 365 Contract that will be assumed and assigned pursuant to this Order and the Purchase Agreement, (vi) any and all claims or causes of action based upon or relating to any bulk sales or similar law, (vii) any and all claims or causes of action based upon or relating to any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, and any taxes arising under or out of, in connection with, or in any way relating to the operation of the Assets prior to the Closing, including, without limitation, any ad valorem taxes assessed by any applicable taxing authority, and (viii) any and all other claims, causes of action, proceedings, warranties, guaranties, rights of recovery, setoff,

recoupment, rights, remedies, obligations, liabilities, counterclaims, cross-claims, third party claims, demands, restrictions, responsibilities, or contribution, reimbursement, subrogation, or indemnification claims or liabilities based on or relating to any act or omission of any kind or nature whatsoever asserted against any of the Debtors or any of their respective affiliates, subsidiaries, directors, officers, agents, successors or assigns in connection with or relating to the Debtors, their operations, their business, their liabilities, the Debtors' marketing and bidding process with respect to the Assets, the Assigned Contracts, the Assets, or the Transactions contemplated by the Purchase Agreement (collectively, "Claims"); and

- c. any and all equity or other interests of any kind or nature whatsoever in or with respect to (x) any of the Debtors or their respective affiliates, subsidiaries, successors or assigns, (y) the Assets, or (z) the Assigned Contracts or Assigned Leases (collectively, "Interests");

whether in law or in equity, known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, direct or indirect, and whether arising by agreement, understanding, law, equity or otherwise, and whether occurring or arising before, on or after the Petition Date, or occurring or arising prior to the Closing. Any and all such Liens, Claims, and Interests shall attach to the portion of the Sale Proceeds received by the Debtors ultimately attributable to the Assets against which they assert an interest, in the order of their priority, with the same validity, force, and effect, if any, which they now have against such Assets, subject to any claims, defenses and objections, if any, that the Debtors or their estates may possess with respect thereto.

12. Upon the occurrence of the Closing Date, except for the express rights and obligations of the Debtors and the Buyer under the Purchase Agreement after the Closing Date, the Debtors, their estates, and their successors or assigns, including any trustee under the Bankruptcy Code, to the extent permitted by law, are hereby deemed to have irrevocably and unconditionally released, remised, and forever discharged (a) the Buyer and its current and

former affiliates, and the Buyer's and its current and former affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, and subsidiaries, and (b) in the case of each person or entity in the foregoing clause (a), each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such, from any and all any and all claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever (including (w) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law, (x) the right to object to or otherwise contest claims or interests, (y) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code, and (z) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code), in each case whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise, including any derivative claims, asserted on behalf of the Debtors that such entity would have been legally entitled to assert (whether individually or collectively) or which the Debtors, their affiliates, their estates, or their successors or assigns might now or subsequently may have, in each case based on or relating to, or in any manner arising from, in whole or in part, the Debtors, their prepetition or postpetition business or operations, this chapter 11 case, the Assets, the Desired 365 Contracts,

the Auction, the Sale, the negotiation and documentation thereof, the transactions contemplated thereby, and the agreements and ancillary documents memorializing and effectuating such sale (including, without limitation, the Purchase Agreement, but excluding the express rights and obligations of the Debtors and the Buyer under the Purchase Agreement after the Closing Date).

**Vesting of Assets in the Buyer**

13. The transfer of the Assets to the Buyer pursuant to the Purchase Agreement shall constitute a legal, valid, and effective transfer of the Assets on the Closing, and shall vest the Buyer with all of the Debtors' rights, title and interests in the Assets free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever. Upon releasing of any Liens, the Liens will attach to the Sale Proceeds received by the Debtors in the order and priority that existed prior to such releases.

14. The Buyer is hereby authorized in connection with the consummation of the Sale, but subject to the terms of the Purchase Agreement, to allocate the Assets, including the Desired 365 Contracts, among its affiliates, agents, designees, assigns, and/or successors, in a manner as it in its sole discretion deems appropriate, and to assign, lease, sublease, license, sublicense, transfer, or otherwise dispose of any of the Assets, including the Desired 365 Contracts, to its affiliates, designees, assignees and/or successors with all of the rights and protections accorded to the Buyer under this Order and the Purchase Agreement with respect thereto, and the Debtors shall cooperate with and take all actions reasonably requested by the Buyer (at Buyer's expense unless otherwise provided in the Purchase Agreement) to effectuate any of the foregoing.

**Police and Regulatory Power of Governmental Units**

15. Nothing in this Order or the Purchase Agreement releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any

entity would be subject to as the owner or operator of property after the date of entry of this Order. Nothing in this Order or the Purchase Agreement authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may deny, revoke, suspend, or refuse to renew any permit, license, or similar grant relating to the operation of the Assets on account of the filing or pendency of these Chapter 11 Cases or, to the extent provided by section 525 of the Bankruptcy Code, the consummation of the Transactions contemplated by the Purchase Agreement, including, without limitation, the Sale and the Debtors' assumption and assignment of the Desired 365 Contracts to the Buyer. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

**Assumption and Assignment of Assigned Contracts and Assigned Leases**

16. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon the Closing, the Debtors' assumption and assignment to the Buyer of the Desired 365 Contracts is hereby approved, and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

17. The Debtors are hereby authorized, in accordance with the Purchase Agreement, and in accordance with sections 105(a) and 365 of the Bankruptcy Code, to (i) assume and assign to the Buyer the Desired 365 Contracts, effective upon and subject to the occurrence of the Closing, free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, which Desired 365 Contracts, by operation of this Order, shall be deemed assumed and assigned

to the Buyer effective as of the Closing, and (ii) execute and deliver to the Buyer such documents or other instruments as the Buyer may deem necessary to assign and transfer the Desired 365 Contracts to the Buyer.

18. Subject to Paragraph 17 hereof:

- a. The Debtors are authorized to and shall assume all of the Desired 365 Contracts in accordance with section 365 of the Bankruptcy Code.
- b. The Debtors are authorized to and shall assign each Desired 365 Contract to the Buyer in accordance with sections 363 and 365 of the Bankruptcy Code, and any provisions in any Desired 365 Contract that prohibit or condition the assignment of such Desired 365 Contract on the consent of the non-Debtor counterparty thereto or allow the non-Debtor counterparty to such Assigned Contract or Assigned Lease to terminate, recapture, impose any penalty, condition, any renewal or extension, require a net worth requirement, or modify any term or condition upon the assignment of such Desired 365 Contract, shall constitute unenforceable anti-assignment provisions which are expressly preempted under section 365 of the Bankruptcy Code and be void and of no force or effect.
- c. All requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption and assignment of the Desired 365 Contracts by the Debtors to the Buyer have been satisfied.
- d. Upon the Closing, the Desired 365 Contracts shall be transferred and assigned to, and remain in full force and effect for the benefit of, the Buyer in accordance with their respective terms, notwithstanding any provision in any such Desired 365 Contract (including those of the type described in sections 365(b)(2), 365(e)(1) and 365(f) of the Bankruptcy Code) that prohibits, restricts, limits, or conditions such assignment or transfer.
- e. After the Debtors' transfer and assignment of the Desired 365 Contracts to the Buyer, in accordance with sections 363 and 365 of the Bankruptcy Code, the Buyer shall be fully and irrevocably vested in all right, title, and interest of each Desired 365 Contract free and clear of Liens, Claims, and Interests, and all non-Debtor counterparties to the Desired 365 Contracts are barred and enjoined from asserting against the Buyer or its assets, among other things, defaults, breaches or claims of pecuniary losses existing as of Closing or by reason of Closing.
- f. Any portion of any Assigned Lease which purports to permit a landlord thereunder to cancel the remaining term of such Assigned Lease if the Debtors discontinue their use or operation of the leased premises is void

and of no force or effect, and shall not be enforceable against the Buyer, or its assignees and sublessees; and the landlords under any such Assigned Lease shall not have the right to cancel or otherwise modify the Assigned Lease or increase the rent, assert any claim or impose any penalty by reason of such discontinuation, the Debtors' cessation of operations, the assignment of such Assigned Lease to the Buyer, or the interruption of business activities at any of the leased premises.

- g. The failure of the Debtors to enforce at any time prior to the Closing Date one or more terms or conditions of any Desired 365 Contract shall not be a waiver of such terms or conditions, or of the Buyer's rights to enforce every term and condition of the Desired 365 Contracts.
- h. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to the Buyer as a result of the assumption, assignment, and sale of the Desired 365 Contracts.

19. All defaults and all other obligations of the Debtors under the Desired 365 Contracts occurring, arising or accruing prior to the assignment thereof to the Buyer at Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) are deemed to have been cured or satisfied by the payment of the proposed amount necessary, if any, to cure all monetary defaults, if any, under each Desired 365 Contract set forth in a Cure Notice (or any other cure cost reached by agreement after an objection to the proposed cure cost by a non-Debtor counterparty to a Desired 365 Contract), which was served in compliance with the Bid Procedures Order, and is set forth on the schedule attached hereto as **Exhibit 2** (the "Cure Costs"), and which Cure Costs were satisfied, or shall be satisfied as soon as practicable, by the Debtors or by the Buyer, as the case may be, as provided in the Purchase Agreement. For all Desired 365 Contracts for which a Cure Notice was served, the Debtors and the Buyer, as applicable, are each authorized and directed to pay their respective portion of all Cure Costs required to be paid by such parties in accordance with the Purchase Agreement upon the Closing. Pursuant to section 365(k) of the Bankruptcy Code, the Debtors and their estates shall be relieved from any liability under any Desired 365

Contract that arises on or after the Closing Date, whether as a result of breach of a Desired 365 Contract on or after the Closing Date or otherwise other than to the Buyer pursuant to the Purchase Agreement.

**No Successorship or Transferee Liability**

20. Neither the Buyer nor any of its affiliates are or shall be deemed, as a result of the consummation of the Transactions contemplated herein, to: (a) be legal successors to the Debtors or their estates by reason of any theory of law or equity, (b) have, *de facto* or otherwise, merged with or into the Debtors, or (c) be an alter ego or a mere continuation or substantial continuation or successor of the Debtors in any respect. Neither the Buyer nor any of its affiliates shall assume or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates, except as otherwise expressly provided in the Purchase Agreement or this Order.

**Modification of the Automatic Stay**

21. The automatic stay provisions of section 362 of the Bankruptcy Code are lifted and modified to the extent necessary to implement the terms and conditions of the Purchase Agreement and the provisions of this Order.

**Release of Liens By Creditors; Collection of Assets**

22. Except as expressly provided to the contrary in this Order or in the Purchase Agreement, each holder of any valid Lien, Claim or Interest against the Assets shall, as of the Closing, be deemed to have waived and released such Lien, Claim or Interest, without regard to whether such holder has executed or filed any applicable release, and such Lien, Claim or Interest shall automatically, and with no further action by any party, attach to the portion of the Sale Proceeds received by the Debtors ultimately attributable to the Assets against which they assert an interest, in the order of their priority, with the same validity, force, and effect, if any, which they now have against such Assets, subject to any claims, defenses and objections, if any,

that the Debtors, their estates, or any other party in interest may possess with respect thereto. Notwithstanding the foregoing, any such holder of such a Lien, Claim or Interest is directed to execute and deliver any waivers, releases, or other related documentation reasonably requested by the Debtors or the Buyer to evidence the release of its Liens, Claims, or Interests in the Assets. Any person or entity that has filed any financing statements, mortgages, deeds of trust, mechanic's liens, *lis pendens*, or any other documents or agreements evidencing a Lien on the Debtors or any of the Assets conveyed pursuant to the Purchase Agreement and this Order is directed to deliver to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all Liens which the person or entity has with respect to the Debtors or the Assets or otherwise.

23. In the event that such termination statements, instruments of satisfaction, or releases of all Liens are not filed in accordance with the foregoing paragraph, the Debtors and the Buyer are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens in the Assets of any kind or nature whatsoever.

#### **Effect of Recordation of Order**

24. This Order, if filed, registered, or otherwise recorded, shall be effective as a conclusive determination that, upon the Closing, all Liens, Claims and Interests of any kind or nature whatsoever existing as to the Assets prior to the Closing have been unconditionally released, discharged, and terminated and that the conveyances described herein have been effected; provided that this Order shall be binding and effective regardless of whether any such filing, registration or recordation occurs. The Liens, Claims and Interests that are unconditionally released, discharged, and terminated pursuant to this Order include, without limitation, those certain Liens, Claims, and Interests evidenced by the financing statements (as

they pertain to the Assets), mortgages, deeds of trust, mechanic's liens, *lis pendens*, notations of liens on certificates of title etc.

25. This Order, if filed, registered, or otherwise recorded, shall be binding upon and shall govern the acts of all persons and entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, local officials, notaries, protonotaries, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to, the Assets; provided that this Order shall be binding and effective regardless of whether any such filing, registration or recordation occurs.

26. Each and every federal, state, and local governmental agency or department is hereby authorized and directed to accept any and all documents and instruments necessary and appropriate to consummate the Transactions contemplated by the Purchase Agreement, including, without limitation, recordation of this Order.

**Prohibition of Actions Against the Buyer**

27. Except for the Specifically Assumed Liabilities or as expressly permitted or otherwise specifically provided for in the Purchase Agreement or this Order, the Buyer and its affiliates shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Assets or otherwise. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein and in the Purchase Agreement, the Buyer and its affiliates shall not be liable for any Claims against the Debtors or any of their predecessors or affiliates, and the Buyer and its affiliates shall have no successor or

vicarious liabilities of any kind or character including, without limitation, any theory of antitrust, warranty, product liability, environmental, successor or transferee liability, labor law, ERISA, *de facto* merger, mere continuation, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors, including, without limitation, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' business prior to the Closing or any claims under the WARN Act or any claims related to wages, benefits, severance or vacation pay owed to employees or former employees of the Debtors.

28. Effective upon the Closing, with the sole exception of any enforcement of rights related to the Specifically Assumed Liabilities, all persons and entities shall be, and hereby are, forever barred and estopped from (a) taking any action that would adversely affect or interfere with the ability of the Debtors to transfer the Assets to the Buyer in accordance with the terms of this Order and the Purchase Agreement and (b) asserting, prosecuting, or otherwise pursuing, whether in law or in equity, in any judicial, administrative, arbitral or other proceeding, any Liens, Claims or Interests of any kind or nature whatsoever against the Buyer and its successors, designees, assigns, or property, or the Assets conveyed under this Order in accordance with the Purchase Agreement.

#### **No Interference**

29. Following the Closing, no holder of a Lien, Claim and/or Interest in or against the Debtors or the Assets shall interfere with the Buyer's title to or use and enjoyment of the Assets based on or related to such Lien, Claim, and/or Interest.

### **Retention of Jurisdiction**

30. This Court retains jurisdiction prior to, on, and after Closing to, among other things, interpret, enforce and implement the terms and provisions of this Order and the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, without limitation, retaining jurisdiction to: (a) compel delivery of the Assets or performance of other obligations owed to the Buyer; (b) compel performance of obligations owed to the Debtors; (c) resolve any disputes arising under or related to the Purchase Agreement; (d) interpret, implement, and enforce the provisions of this Order; (e) compel delivery of any waivers, releases, or other related documentation reasonably requested by the Debtors or the Buyer to evidence the release of any Liens, Claims, or Interests in the Assets; (f) protect the Buyer and its affiliates against (i) any Liens, Claims and Interests in or against the Debtors or the Assets of any kind or nature whatsoever and (ii) any creditors, equity interest holders, or other parties in interest regarding the turnover of the Assets that may be in their possession; and (g) protect the Debtors and their affiliates against any liabilities (other than any liabilities retained by the Debtors under the Purchase Agreement) in any way relating to the Assets arising on or after the Closing Date other than to the Buyer pursuant to the Purchase Agreement.

### **No Stay of Order**

31. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any person or entity obtaining a stay pending appeal, the Debtors and the Buyer are free to close the Sale under the Purchase Agreement at any time pursuant to the terms thereof. The Sale transactions contemplated by the Purchase Agreement are undertaken by the

Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Buyer (including the assumption and assignment by the Debtor of any of the Assigned Contracts or Assigned Leases), unless such authorization is duly stayed pending such appeal. The Buyer is a buyer in good faith of the Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

#### **Good Faith Purchaser**

32. The Sale contemplated by the Purchase Agreement is undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and the Buyer has acted without collusion in undertaking the Sale and Transactions contemplated by the Purchase Agreement. Accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Buyer (including the assumption and assignment by the Debtors of any of the Desired 365 Contracts), unless such authorization is duly stayed pending such appeal. The Buyer is a buyer in good faith of the Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

33. There has been no showing that the Debtors or the Buyer engaged in any action or inaction that would cause or permit the Transactions to be avoided or costs or damages to be imposed under section 363(n) of the Bankruptcy Code.

#### **Inconsistencies with Prior Orders, Pleadings or Agreements**

34. To the extent of any conflict between the Purchase Agreement and this Order, the terms of the Purchase Agreement shall govern. To the extent this Order is inconsistent or

conflicts with any prior order or pleading in these Chapter 11 Cases, the terms of this Order shall govern and any prior orders shall be deemed amended or otherwise modified to the extent required to permit consummation of the Sale.

**Failure to Specify Provisions**

35. The failure to specifically reference any particular provisions of the Purchase Agreement or other related documents in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Purchase Agreement and other related documents be authorized and approved in their entirety.

**Non-Severability**

36. The provisions of this Order are non-severable and mutually dependent.

Dated: \_\_\_\_\_, 2018  
Houston, Texas

\_\_\_\_\_  
[ ]  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Purchase Agreement**

**Exhibit 2**

**Cure Costs**

**EXHIBIT E**

**Transition Services Agreement – Services**

1. Revenue Cycle Management (including Medical Billing and Collection Services)
2. IT Infrastructure and Support
3. Human Resources
4. Finance and Accounting

**SCHEDULES**

to

**ASSET PURCHASE AGREEMENT**

by and among

**NEC BAYTOWN EMERGENCY CENTER, LP  
NEC BELLAIRE EMERGENCY CENTER, LP  
NEC CROSBY EMERGENCY CENTER, LP  
NEC KINGWOOD EMERGENCY CENTER, LP  
NEC PASADENA EMERGENCY CENTER, LP  
NEC PEARLAND EMERGENCY CENTER, LP  
NEC PORTER EMERGENCY CENTER, LP, and  
NEC YORKTOWN EMERGENCY CENTER, LP  
as Operating Sellers**

**NEC BAYTOWN ASSET HOLDINGS, LLC  
NEC KINGWOOD ASSET HOLDINGS LLC, and  
NEC PEARLAND ASSET HOLDINGS, LLC  
as Owned Real Estate Sellers**

**NEIGHBORS LEGACY HOLDINGS, INC.,  
NEIGHBORS GLOBAL HOLDINGS, LLC,  
NEIGHBORS HEALTH, LLC,  
EDMG, LLC, and  
NEIGHBORS PRACTICE MANAGEMENT, LLC  
as Corporate and Shared Services Sellers**

**NEIGHBORS EMERGENCY CENTER, LLC,  
as IP Seller**

and

**ALTUS HEALTH SYSTEMS OPCO, LLC  
as Opco Buyer**

**ALTUS HEALTH SYSTEM REALTY, LLC  
as Realty Buyer**

dated

**July 10, 2018**

## Schedules

The following constitutes the Schedules (these “*Schedules*”) referred to in the Asset Purchase Agreement (the “*Agreement*”), dated as of July 10, 2018, by and among (i) Altus Health System Opco, LLC, a Texas limited liability company (“*Opco Buyer*”), and Altus Health System Realty, LLC, a Texas limited liability company (“*Realty Buyer*”), and (ii) NEC Baytown Emergency Center, LP, a Texas limited partnership, NEC Bellaire Emergency Center, LP, a Texas limited partnership, NEC Crosby Emergency Center, LP, a Texas limited partnership, NEC Kingwood Emergency Center, LP, a Texas limited partnership, NEC Pasadena Emergency Center, LP, a Texas limited partnership, NEC Pearland Emergency Center, LP, a Texas limited partnership, NEC Porter Emergency Center, LP, a Texas limited partnership, and NEC Yorktown Emergency Center, LP, a Texas limited partnership (collectively, the “*Operating Sellers*” and each individually, an “*Operating Seller*”), (iii) NEC Baytown Asset Holdings, LLC, a Texas limited liability company, NEC Kingwood Asset Holdings LLC, a Texas limited liability company, and NEC Pearland Asset Holdings, LLC, a Texas limited liability company (collectively, the “*Owned Real Estate Sellers*” and each individually, an “*Owned Real Estate Seller*”), (iv) Neighbors Legacy Holdings, Inc., a Texas corporation, Neighbors Global Holdings, LLC, a Delaware limited liability company, Neighbors Health, LLC, a Texas limited liability company, EDMG, LLC, a Texas limited liability company, and Neighbors Practice Management, LLC, a Texas limited liability company (collectively, the “*Corporate and Shared Services Sellers*” and each individually, a “*Corporate and Shared Services Seller*”), and (v) Neighbors Emergency Center, LLC, a Texas limited liability company (“*IP Seller*,” and together with the Operating Sellers, the Owned Real Property Sellers and the Corporate and Shared Services Sellers, the “*Sellers*” and each individually, a “*Seller*”). Buyer and the Sellers are sometimes referred to collectively herein as the “*Parties*” and singly as a “*Party*.”

Capitalized terms used in these Schedules but not defined herein shall have the meanings ascribed to such terms in the Agreement. Information provided in one Schedule hereto will suffice, without repetition or cross reference, as a disclosure of such information in any other Schedule hereto to which its relevance is reasonably apparent on its face. The reference to or listing, description, disclosure or other inclusion of any item or other matter, including, without limitation, any charge, violation, breach or Liability, in these Schedules shall not be construed to be an admission or suggestion that such item or matter constitutes a violation of, breach or default under, any Contract or otherwise. No disclosure in these Schedules relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. The inclusion of any item in these Schedules, or any references to dollar amounts, will not be deemed to be an acknowledgement or representation that such item is material, to establish any standard of materiality or to define further the meaning of such terms for purposes of the Agreement. Furthermore, the inclusion of a particular item of information in these Schedules shall not be taken as an admission that such disclosure is required to be made under the terms of any of such representations and warranties. Headings have been inserted on the sections of these Schedules for convenience of reference only and shall be ignored in the construction or interpretation of these Schedules as set forth in the Agreement.

**Schedule 3.05**

**Seller's Finders' Fees**

Neighbors Global Holdings, LLC and Neighbors Legacy Holdings, Inc., collectively with its direct and indirect subsidiaries, have engaged Houlihan Lokey to provide investment banking services in connection with the Transactions.

**Schedule 3.06**

**365 Contracts**

[See attached.]

Attachment to Schedule 3.06  
Desired 365 Contracts (Baytown)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
Ansari Family Limited Partnership	NEC Baytown Asset Holdings, LLC	Lease Agreement	3/1/2013	10 years	2/28/2023	6/11/2018	56	Facility Lease
BBVA Compass Financial Corporation	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	00529-0004 Refurbished 2012 GE CT Scanner and 2012 Mindray Ultrasound System	08/14/14	60 months	08/14/19	06/11/18	14	Equipment Leases
BBVA Compass Financial Corporation	Neighbors Global Holdings, LLC	00619-0014 DelWorks Digital Medical Radiography	09/01/16	60 months	09/01/21	06/11/18	38	Equipment Leases
BeaconMedaes, LLC	NEC Baytown Emergency Center, LP	Service Quotation: BTSBK17-0032-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	06/11/18	3	Operations
Clear Channel Outdoor	Neighbors Health, LLC and NEC Baytown Emergency Center, LP	Contract # 9947588	3/12/2018	13 weeks- 4 week campaigns	3/11/2019	06/11/18	9	Marketing
Clinical Diagnostic Solutions, Inc.	NEC Baytown Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	5/1/2018	1 year	4/30/2019	06/11/18	10	Clinical
Comcast Cable Communications Management, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	MSA ID # TX-328093-MJUNG SO ID # TX-328093-MJUNG Comcast Enterprise Services Sales Order Form Internet and cable services	7/8/2016	36 months	7/7/2019	06/11/18	12	IT
DataVox, Inc.	NEC Baytown Emergency Center, LP f/k/a Baytown Emergency Center, LLC	015-0746135-000 Toshiba Phone System	01/25/12	48 months	01/25/16	06/11/18	Month to Month	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41262050 (2) Xerox WC 3655, (1) Xerox WC6655, (1) Xerox Phaser 3325, (1) Xerox Phaser 3320 (2) 097s40625	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
Frontier Utilities	NEC Baytown Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q146719 Commercial (Texas) - Fixed Rate Plan	5/3/2016	5 years	05/03/21	06/11/18	34	Operations
Gilbreath & Company KEM Texas Ltd ("KEM Advertising")	NEC Baytown Emergency Center, LP Neighbors Health, LLC	Outdoor Advertising Contract Contract # C296555	8/20/2017 7/5/2017	12 months 13- 4 week campaigns	8/19/2018 7/3/2018	06/11/18 06/11/18	2 0	Marketing Marketing
Medicus Laboratory Information Systems	NEC Baytown Emergency Center, LP	Annual Software Support Agreement	7/16/2017	1 year	7/15/2018	06/11/18	1	Clinical
Medicus Laboratory Information Systems	NEC Baytown Emergency Center, LP	Annual Software Support Agreement	7/16/2018	1 year	7/15/2019	06/11/18	13	Clinical
Megan Anderson	NEC Baytown Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	06/11/18	Until terminated	Clinical
Multipian, Inc.	Neighbors Physician Group, PLLC ("Neighbors Emergency Center" is an assumed name)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM
NEC Baytown Asset Holdings, LLC	NEC Baytown Emergency Center, LP	Commercial Lease	10/17/2012	10 years	8/31/2022	06/11/18	50	Facility Lease
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omniceil, Inc.	NEC Baytown Emergency Center, LP	Quote - 43885	6/1/2018	12 months	5/31/2019	06/11/18	11	Operations
Outfront Media	NEC Baytown Emergency Center, LP	Contract # 2550114	3/26/2018	13- 4 week campaigns	3/24/2019	06/11/18	9	Marketing
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Baytown Emergency Center, LP	Presidio End User Agreement	12/8/2017	36 months	12/07/20	06/11/18	29	NPM

Attachment to Schedule 3.06  
Desired 365 Contracts (Baytown)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
ProStar Services, Inc. d/b/a Parks Coffee	NEC Baytown Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 23010 Brand/Model/Serial: Keurig, B-150, M0057981	11/14/2014	1 year	11/13/18	06/11/18	5	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Roshal Imaging Services, Inc.	NEC Baytown Emergency Center, LP	Professional Services Agreement	7/15/2014	3 years	7/15/2018	06/11/18	1	Radiology
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
Stericycle, Inc.	Neighbors Health, LLC	Multi-Site Service Agreement	4/1/2017	36 months	03/31/20	06/11/18	21	Operations
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
Universal Hospital Services, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	Agreement # UHS -09926 Master Services Agreement	9/1/2014	Until 08/31/2018	8/31/2018	06/11/18	2	Operations
UpToDate, Inc.	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
Waste Management, Inc.	NEC Baytown Emergency Center, LP d/b/a Neighbors Emergency Center	Service Agreement WM Agreement # S0004878902 Customer Acct # 791-111901	8/11/2014	3 Years	08/10/20	06/11/18	25	Operations
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Bellaire)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
AT&T	Neighbors Health, LLC	Phone Services Contract ID - 8550343 AT&T Fiber Broadband Bundle Express Agreement	9/28/2017	2 years	9/27/2019	06/11/18	15	IT
BBVA Compass Financial Corporation	Neighbors Global Holdings, LLC	00619-0012 Proteus XR Radiographic & Optima	01/01/17	60 months	01/01/22	06/11/18	42	Equipment Leases
BeaconMedaes, LLC	NEC Bellaire Emergency Center, LP	Service Quotation: BTSBK17-0081-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	06/11/18	3	Operations
Central Bank of St. Louis (formerly All Points Solution, Inc. d/b/a 3i International and TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc.)	Neighbors Global Holdings, LLC	41404494 Various IT products	07/31/16	63 months	10/31/21	06/11/18	40	Equipment Leases
CHCA West Houston, L.P. d/b/a West Houston Medical Center	NEC Bellaire Emergency Center, LP d/b/a Neighbors Emergency Center	Laboratory Services Agreement	4/3/2018	1 year	04/02/19	06/11/18	9	Clinical
Clear Channel Outdoor	Neighbors Health, LLC and NEC Bellaire Emergency Center, LP	Contract # 9947610	1/1/2018	13- 4 week campaigns	12/31/2018	06/11/18	6	Marketing
Clinical Diagnostic Solutions, Inc.	NEC Bellaire Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	8/18/2017	1 year	8/17/2018	06/11/18	2	Clinical
Comcast Cable Communications Management, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	MSA ID # TX-328093-MJUNG SO ID # TX-328093-MJUNG Comcast Enterprise Services Sales Order Form Internet and cable services	7/8/2016	36 months	7/7/2019	06/11/18	12	IT
CH Retail Fund 1/Houston Uptown Crossing, L.P.	NEC Bellaire Emergency Center, LP	Lease Agreement	10/1/2014	10 years	8/31/2021	06/11/18	38	Facility lease
DataVox, Inc.	NEC Bellaire Emergency Center, LP	1167618 Toshiba Phone System	07/11/16	48 months	07/11/20	06/11/18	25	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc.	NEC Bellaire Emergency Center, LP (erroneously referred to as "NEC Bellaire Emergency Clinic")	41043323 (3) WC5335PH Copier Printer Scanner Fax , (1) WC4260 Copier Printer Scanner Fax	04/15/14	60 months	04/15/19	6/11/2018	10	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	NEC Bellaire Emergency Center, LP	20156490 (1) Xerox WorkCenter 5335, (3) Xerox WorkCenter 5335	05/15/14	63 months	08/15/19	6/11/2018	14	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	NEC Bellaire Emergency Center, LP	20178971 (7) Xerox WC5335PT	01/05/15	60 months	01/04/19	6/11/2018	6	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	NEC Bellaire Emergency Center, LP	20164601 (2) WC5335 Xerox Copier Printer Scanner Fax, (1) WC7835 Color Copier Printer Scanner Fax, (1) WC4260 Copier Printer Scanner Fax	09/30/14	60 months	09/30/19	6/11/2018	15	Equipment Leases

Attachment to Schedule 3.06  
Desired 365 Contracts (Bellaire)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	NEC Bellaire Emergency Center, LP	20186043 (3) Xerox ColorQube 8700X	03/10/15	60 months	03/10/20	6/11/2018	20	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41343967 (2) Xerox 3655/XM, (1) Xerox 33215, (1) Xerox 6655/XM, (1) Xerox 3320/DNI, (1) Xerox 5335/PH	05/10/16	63 months	08/10/21	06/11/18	37	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41262035 (2) Xerox WC 3655, (1) Xerox WC6655, (1) Xerox Phaser 3325, (1) Xerox Phaser 3320 (2) 097s40625	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
Frontier Utilities	NEC Bellaire Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q155640 Commercial (Texas) - Fixed Rate Plan	6/7/2016	5 years	06/07/21	06/11/18	35	Operations
Medicus Laboratory Information Systems	NEC Bellaire Emergency Center, LP	Annual Software Support Agreement	7/28/2017	1 year	7/28/2018	06/11/18	1	Clinical
Medicus Laboratory Information Systems	NEC Bellaire Emergency Center, LP	Annual Software Support Agreement	7/23/2017	1 year	7/22/2019	06/11/18	13	Clinical
Megan Anderson	NEC Bellaire Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	06/11/18	Until terminated	Clinical
Multiplan, Inc.	Neighbors Physician Group, PLLC ("Neighbors Emergency Center" is assumed name)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omniceil, Inc.	NEC Bellaire Emergency Center, LP	Quote - 43932	6/1/2018	12 months	5/31/2019	06/11/18	11	Operations
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Bellaire Emergency Center, LP	Presidio End User Agreement	12/7/2017	36 months	12/06/20	06/11/18	29	NPM
ProStar Services, Inc. d/b/a Parks Coffee	NEC Bellaire Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 23009 Brand/Model/Serial: Keurig, B-150, M0071877	11/13/2014	1 year	11/12/18	06/11/18	5	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Republic Waste Services of Texas, Ltd	NEC Bellaire Emergency Center, LP d/b/a Neighbors Emergency Center	Agreement Number : A161355085 Account Number : 85147 Customer Service Agreement	8/4/2016	36 months	8/3/2019	06/11/18	13	Operations
Roshal Imaging Services, Inc.	NEC Bellaire Emergency Center, LP	Professional Services Agreement	11/14/2011	3 years	11/14/2018	6/11/2018	5	Radiology
Signature Financial, LLC (formerly All Points Solution, Inc. d/b/a 3i International and TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc.)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41343964 Various IT products	05/01/16	63 months	08/01/21	06/11/18	37	Equipment Leases
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
Universal Hospital Services, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	Agreement # UHS -09926 Master Services Agreement	9/1/2014	Until 08/31/2018	8/31/2018	06/11/18	2	Operations
UpToDate, Inc.	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology

Attachment to Schedule 3.06  
Desired 365 Contracts (Bellaire)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Crosby)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
BBVA Compass Financial Corporation	Neighbors Legacy Holdings, Inc fka Neighbors Health System, Inc	00529-0008 Refurbished 16 Slice GE Lightspeed, Accessories to Scanner	04/01/15	60 months	04/01/20	06/11/18	21	Equipment Leases
BeaconMedaes, LLC	NEC Crosby Emergency Center, LP	Service Quotation: BTSBK17-0045-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	6/11/2018	3	Operations
Clear Channel Outdoor	Neighbors Health, LLC and NEC Crosby Emergency Center, LP	Contract # 9947655	12/11/2017	13- 4 week campaigns	12/10/2018	6/11/2018	5	Marketing
Clinical Diagnostic Solutions, Inc.	NEC Crosby Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	8/23/2017	1 year	8/22/2018	6/11/2018	2	Clinical
Comcast Cable Communications Management, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	MSA ID # TX-328093-MJUNG SO ID # TX-328093-MJUNG Comcast Enterprise Services Sales Order Form Internet and cable services	7/8/2016	36 months	7/7/2019	06/11/18	12	IT
DataVox, Inc.	NEC Crosby Emergency Center, LP	1043063 Toshiba Telephone System	03/31/15	48 months	03/31/19	6/11/2018	9	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41262030 (1) Xerox WC6655XM, (2) Xerox WorkCenter 5335, (1) Xerox 3325DN, (1) Xerox Phaser 3320DNI	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
Frontier Utilities	NEC Crosby Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q146719 Commercial (Texas) - Fixed Rate Plan	7/5/2016	4 years and 10 months	05/03/21	6/11/2018	34	Operations
GAMMA Waste Systems, LLC	NEC Crosby Emergency Center, LP (erroneously referred to as "NEC 24-Crosby")	Service Agreement	5/7/2015	60 months	05/06/20	6/11/2018	22	Operations
Gilbreath & Company	NEC Crosby Emergency Center, LP	Outdoor Advertising Contract	1/17/2018	12 months	1/16/2019	6/11/2018	7	Marketing
KEM Texas Ltd ("KEM Advertising")	NEC Crosby Emergency Center, LP	Contract # P300646	8/7/2017	13- 4 week campaigns	8/5/2018	6/11/2018	1	Marketing
Medicus Laboratory Information Systems	NEC Crosby Emergency Center, LP	Annual Software Support Agreement	5/8/2018	1 year	5/7/2019	6/11/2018	10	Clinical
Megan Anderson	NEC Crosby Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	6/11/2018	Until terminated	Clinical
Multiplan, Inc.	Neighbors Physician Group, PLLC ("Neighbors Emergency Center" is assumed name)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM

Attachment to Schedule 3.06  
Desired 365 Contracts (Crosby)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
NEC LBT, LLC	NEC Crosby Emergency Center, LP	Lease Agreement	4/17/2014	15 years	5/31/2030	6/11/2018	143	Facility Lease
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omicell, Inc.	NEC Crosby Emergency Center, LP	Quote - 43985	6/1/2018	12 months	5/31/2019	6/11/2018	11	Operations
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Crosby Emergency Center, LP	Presidio End User Agreement	7/11/2017	36 months	07/10/20	6/11/2018	24	NPM
ProStar Services, Inc. d/b/a Parks Coffee	NEC Crosby Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 24132 Brand/Model/Serial: Keurig, B-150, M0062395	4/29/2015	1 year	04/28/19	6/11/2018	10	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Roshal Imaging Services, Inc.	NEC Crosby Emergency Center, LP	Professional Services Agreement	5/1/2015	3 years	4/30/2019	6/11/2018	10	Radiology
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
UpToDate, Inc.	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
Waste Management, Inc.	NEC Crosby Emergency Center, LP d/b/a Crosby Emergency Center	WM Agreement # S0005798627	4/30/2015	3 Years	04/29/19	6/11/2018	10	Operations
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Kingwood)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC fka Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
BeaconMedaes, LLC	NEC Kingwood Emergency Center, LP	Service Quotation: BTSBK17-0031-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	06/11/18	3	Operations
Clear Channel Outdoor	Neighbors Health, LLC and NEC Kingwood Emergency Center, LP	Contract for Outdoor Advertising	5/28/2018	13- 4 week campaigns	5/27/2019	06/11/18	11	Marketing
Clinical Diagnostic Solutions, Inc.	NEC Kingwood Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	5/1/2018	1 year	4/30/2019	06/11/18	10	Clinical
Comcast Cable Communications Management, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	MSA ID # TX-328093-MJUNG SO ID # TX-328093-MJUNG Comcast Enterprise Services Sales Order Form Internet and cable services	7/8/2016	36 months	7/7/2019	06/11/18	12	IT
DataVox, Inc.	NEC Kingwood Emergency Center, LP f/k/a Kingwood Emergency Center, LLC	683837 Toshiba CIX670 Telephone System	02/12/11	48 months	02/12/15	06/11/18	Month to Month	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41261992 (2) Xerox WC 3655, (1) Xerox WC6655, (1) Xerox Phaser 3325, (1) Xerox Phaser 3320 (2) 097s40625	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
Frontier Utilities	NEC Kingwood Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q146719 Commercial (Texas) - Fixed Rate Plan	5/3/2016	5 years	05/03/21	06/11/18	34	Operations
General Electric Capital Corporation	NEC Kingwood Emergency Center, LP f/k/a Kingwood Emergency Center, LLC	8485400-001 LightSpeed Ultra CT/Definium 5000	03/28/11	60 months	03/28/16	06/11/18	Month to month until given 90 days written notice	Equipment Leases
Medicus Laboratory Information Systems	NEC Kingwood Emergency Center, LP	Annual Software Support Agreement	7/20/2017	1 year	7/19/2018	06/11/18	1	Clinical
Medicus Laboratory Information Systems	NEC Kingwood Emergency Center, LP	Annual Software Support Agreement	7/20/2018	1 year	7/19/2019	06/11/18	13	Clinical
Megan Anderson	NEC Kingwood Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	06/11/18	Until terminated	Clinical
Multiplan, Inc.	Neighbors Physician Group, PLLC (assumed name Neighbors Emergency Center)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM
NEC Kingwood Asset Holdings LLC	NEC Kingwood Emergency Center, LP	Commercial Lease	10/23/2012	10 years	8/31/2020	06/11/18	26	Facility Leases
NEC Kingwood Asset Holdings LLC f/k/a S Rice, LLC	Smart Financial Credit Union f/k/a First Educators Credit Union	Lease Agreement	4/1/2003	9 years	6/30/2018	6/11/2018	0	Facility Leases
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omniceil, Inc.	NEC Kingwood Emergency Center, LP	Quote - 43889	6/1/2018	12 months	5/31/2019	06/11/18	11	Operations
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Kingwood Emergency Center, LP	Presidio End User Agreement	12/7/2017	36 months	12/06/20	06/11/18	29	NPM

Attachment to Schedule 3.06  
Desired 365 Contracts (Kingwood)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
ProStar Services, Inc. d/b/a Parks Coffee	NEC Kingwood Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 22934 Brand/Model/Serial: Keurig, B-150, M0059308	11/20/2014	1 year	11/19/18	06/11/18	5	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
Stericycle, Inc.	Neighbors Health, LLC	Multi-Site Service Agreement	4/1/2017	36 months	03/31/20	06/11/18	21	Operations
The Tribune d/b/a Tribune Newspapers	NEC Kingwood Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center")	N/A	5/1/2013	5 years	7/25/2018	06/11/18	1	Marketing
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
Universal Hospital Services, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	Agreement # UHS -09926 Master Services Agreement	9/1/2014	Until 08/31/2018	8/31/2018	06/11/18	2	Operations
UpToDate, Inc	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc (Formerly Known as Neighbors Health System, Inc)	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
Waste Management of Texas, Inc.	NEC Kingwood Emergency Center, LP f/k/a S Rice, LLC	WM Agreement # S0007233498 Customer Acct # 792-81499	4/7/2016	3 Years	04/06/19	06/11/18	9	Operations
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc	Neighbors Legacy Holdings, Inc (f/k/a Neighbors Health System, Inc)	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Pasadena)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
AT&T	Neighbors Health, LLC	Phone Services Contract ID - 8550343 AT&T Fiber Broadband Bundle Express Agreement	9/28/2017	2 years	9/27/2019	06/11/18	15	IT
BBVA Compass Financial Corporation	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	00529-0005 2004 GE LightSpeed Plus 16 Slice, 2013 DelWork U-Arm Digital Radiography, 2013 Mindray M7 Portable Ultrasound	08/14/14	60 months	08/14/19	06/11/18	14	Equipment Leases
BeaconMedaes, LLC	NEC Pasadena Emergency Center, LP	Service Quotation: BTSBK17-0040-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	06/11/18	3	Operations
Clear Channel Outdoor	Neighbors Health, LLC and NEC Pasadena Emergency Center, LP	Contract for Outdoor Advertising	4/16/2018	13 - 4 week campaigns	4/5/2019	06/11/18	9	Marketing
Clear Channel Outdoor	Neighbors Health, LLC	Contract for Outdoor Advertising	12/25/2017	13 - 4 week campaigns	12/24/2018	06/11/18	6	Marketing
Clinical Diagnostic Solutions, Inc.	NEC Pasadena Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	1/16/2018	1 year	1/15/2019	06/11/18	7	Clinical
Comcast Cable Communications Management, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	MSA ID # TX-328093-MJUNG SO ID # TX-328093-MJUNG Comcast Enterprise Services Sales Order Form Internet and cable services	7/8/2016	36 months	7/7/2019	06/11/18	12	IT
DataVox, Inc.	NEC Orange Emergency Center, LP	1045695 Toshiba Telephone System	04/13/15	48 months	04/13/19	06/11/18	10	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41262018 (2) Xerox WC 3655, (1) Xerox WC6655, (1) Xerox Phaser 3325, (1) Xerox Phaser 3320 (2) 097s40625	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
Fairmont Crossing, Ltd	NEC Pasadena Emergency Center, LP f/k/a Pasadena Emergency Center, LLC	Lease Agreement	8/31/2012	129 months	5/31/2023	6/11/2018	59	Facility Lease
Fairmont Crossing, Ltd	NEC Pasadena Emergency Center, LP	Lease Agreement	8/2/2013	5 years	8/2/2018	6/11/2018	1	Facility Lease
Frontier Utilities	NEC Pasadena Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q146719 Commercial (Texas) - Fixed Rate Plan	8/17/2016	4 years and 9 months	05/03/21	06/11/18	34	Operations
Frontier Utilities	NEC Pasadena Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q146719 Commercial (Texas) - Fixed Rate Plan	5/3/2016	5 years	05/03/21	06/11/18	34	Operations
GAMMA Waste Systems, LLC	NEC Pasadena Emergency Center, LP (erroneously referred to as "Pasadena Emergency Center")	Service Agreement	8/20/2013	60 months	08/19/18	06/11/18	2	Operations
Medicus Laboratory Information Systems	NEC Pasadena Emergency Center, LP	Annual Software Support Agreement	7/16/2017	1 year	7/15/2018	06/11/18	1	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Pasadena)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Medicus Laboratory Information Systems	NEC Pasadena Emergency Center, LP	Annual Software Support Agreement	7/16/2018	1 year	7/15/2019	06/11/18	13	Clinical
Megan Anderson	NEC Pasadena Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	06/11/18	Until terminated	Clinical
Multipian, Inc.	Neighbors Physician Group, PLLC ("Neighbors Emergency Center" is assumed name)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omnicell, Inc.	NEC Pasadena Emergency Center, LP	Quote - 43887	6/1/2018	12 months	5/31/2019	06/11/18	11	Operations
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Pasadena Emergency Center, LP	Presidio End User Agreement	12/11/2017	36 months	12/10/20	06/11/18	29	NPM
ProStar Services, Inc. d/b/a Parks Coffee	NEC Pasadena Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 22654 Brand/Model/Serial: Keurig, B-150, M0071231	4/29/2015	1 year	04/28/19	06/11/18	10	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
Universal Hospital Services, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	Agreement # UHS -09926 Master Services Agreement	9/1/2014	Until 08/31/2018	8/31/2018	06/11/18	2	Operations
UpToDate, Inc.	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Pearland)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
BBVA Compass Financial Corporation	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	00529-0006 2005 GE LightSpeed Plus 16 Slice, 2013 DelWork U-Arm Digital Radiography, 2013 Mindray M7 Portable Ultrasound	08/14/14	60 months	08/14/19	06/11/18	14	Equipment Leases
BeaconMedaes, LLC	NEC Pearland Emergency Center, LP	Service Quotation: BTSBK17-0083-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	06/11/18	3	Operations
CHCA Clear Lake, LP d/b/a Clear Lake Regional Medical Center	NEC Pearland Emergency Center, LP d/b/a Neighbors Emergency Center	Patient Transfer Agreement	12/13/2017	2 years	12/12/19	06/11/18	18	Clinical
CHCA Pearland, LP d/b/a Pearland Medical Center	NEC Pearland Emergency Center, LP d/b/a Neighbors Emergency Center (erroneously referred to as "Neighbors Pearland")	Patient Transfer Agreement	1/1/2018	2 years	12/31/19	06/11/18	18	Clinical
Clinical Diagnostic Solutions, Inc.	NEC Pearland Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	5/1/2018	1 year	4/30/2019	06/11/18	10	Clinical
Comcast Cable Communications Management, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	MSA ID # TX-328093-MJUNG SO ID # TX-328093-MJUNG Comcast Enterprise Services Sales Order Form Internet and cable services	7/8/2016	36 months	7/7/2019	06/11/18	12	IT
DataVox, Inc.	NEC Pearland Emergency Center, LP d/b/a Neighbors Emergency Center (erroneously referred to as "Neighbors Emergency Center - Pearland")	003-0290958-000 Toshiba Telephone System	07/22/13	36 months	07/22/16	06/11/18	Month to Month	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41262010 (2) Xerox WC 3655, (1) Xerox WC6655, (1) Xerox Phaser 3325, (1) Xerox Phaser 3320 (2) 097s40625	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
Frontier Utilities	NEC Pearland Emergency Center, LP (erroneously referred to as "Neighbors Emergency Center, LLC")	Enrollment Authorization Quote # Q146719 Commercial (Texas) - Fixed Rate Plan	5/3/2016	5 years	05/03/21	06/11/18	34	Operations
GAMMA Waste Systems, LLC	NEC Pearland Emergency Center, LP (erroneously referred to as "Pearland Emergency Center")	Service Agreement	8/20/2013	60 months	08/19/18	06/11/18	2	Operations
Medicus Laboratory Information Systems	NEC Pearland Emergency Center, LP	Annual Software Support Agreement	4/25/2018	1 year	4/24/2019	06/11/18	10	Clinical
Megan Anderson	NEC Pearland Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	06/11/18	Until terminated	Clinical
Memorial Hermann Health System d/b/a Memorial Hermann Southeast Hospital	NEC Pearland Emergency Center, LP	Patient Transfer Agreement	2/15/2018	1 year	2/14/2019	06/11/18	8	Clinical
Multiplan, Inc.	Neighbors Physician Group, PLLC ("Neighbors Emergency Center" is assumed name)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM

Attachment to Schedule 3.06  
Desired 365 Contracts (Pearland)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
NEC Pearland Asset Holdings, LLC	NEC Pearland Emergency Center, LP	Commercial Lease	8/1/2013	10 years	7/31/2024	06/11/18	73	Facility Lease
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omicell, Inc.	NEC Pearland Emergency Center, LP	Quote - 43886	6/1/2018	12 months	5/31/2019	06/11/18	11	Operations
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Pearland Emergency Center, LP	Presidio End User Agreement	12/8/2017	36 months	12/07/20	06/11/18	29	NPM
ProStar Services, Inc. d/b/a Parks Coffee	NEC Pearland Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 22943 Brand/Model/Serial: Keurig, B-150, M0071850	11/6/2014	1 year	11/05/18	06/11/18	4	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Roshal Imaging Services, Inc.	NEC Pearland Emergency Center, LP	Professional Services Agreement	5/3/2013	3 years	5/2/2019	06/11/18	10	Radiology
SIGNAD, LTD.	NEC Pearland Emergency Center, LP	Contract # 032022R	2/28/2018	13 - 4 week campaigns	2/26/2019	06/11/18	8	Marketing
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
Universal Hospital Services, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc. d/b/a Neighbors Emergency Center	Agreement # UHS -09926 Master Services Agreement	9/1/2014	Until 08/31/2018	8/31/2018	06/11/18	2	Operations
UpToDate, Inc.	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Porter)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
BBVA Compass Financial Corporation	Neighbors Global Holdings, LLC	00619-0001 System Multix Fusion wi-D YMAT, Somatom Scope, Acuson P300 Ultrasound System	05/01/16	60 months	05/01/21	06/11/18	34	Equipment Leases
Central Bank of St. Louis (formerly TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. and All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41325204 Various IT Products	02/14/16	63 months	05/14/21	06/11/18	35	Equipment Leases
Clinical Diagnostic Solutions, Inc	NEC Porter Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	2/3/2018	1 year	2/2/2019	06/11/18	7	Clinical
DataVox, Inc	NEC Porter Emergency Center, LP	1116587 Toshiba Telephone System	01/07/16	48 months	01/07/20	06/11/18	18	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41235108 (1) Xerox 5335, (1) Xerox WC6655XM, (2) Xerox WC3655X (1) Xerox 3325DN, (1) Xerox Phaser 3320DNI	02/14/16	63 months	05/14/21	06/11/18	35	Equipment Leases
Medicus Laboratory Information Systems Megan Anderson	NEC Porter Emergency Center, LP NEC Porter Emergency Center	Annual Software Support Agreement Consultant Pharmacist Service Agreement	3/9/2018 3/12/2016	1 year Until terminated	3/8/2019 Until terminated	06/11/18 06/11/18	8 Until terminated	Clinical Clinical
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Passport Health Communications, Medical Present Value Inc and Search America Inc. (Collectively referred as Experian Health)	NEC Porter Emergency Center, LP	Presidio End User Agreement	12/7/2017	36 months	12/06/20	06/11/18	29	NPM
Porter JFP, LLC	NEC Porter Emergency Center, LP	Lease Agreement	4/21/2015	12 years	3/31/2028	06/11/18	117	Facility Lease
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Siemens Medical Solutions USA, Inc.	Neighbors Health, LLC	1-MHACK1 - Multix Fusion Digital Service Quote Nr: 1-L358YF Rev 2 Service Agreement: Silver Contract	2/19/2018	7 years	2/18/2025	06/11/18	80	Radiology
Siemens Medical Solutions USA, Inc.	Neighbors Health, LLC	1-MH82GE - Somatom Scope Service Quote Nr: 1-L3QHPC Rev 2 Service Agreement : Gold contract	2/18/2018	7 years	2/17/2025	06/11/18	80	Radiology
Siemens Medical Solutions USA, Inc.	Neighbors Health, LLC	1-MGV4GH-P300 Service Quote Nr: 1-L3MS32 Rev 2 Service Agreement -Gold contract	2/23/2018	7 years	2/22/2025	06/11/18	80	Radiology
SIGNAD, LTD.	NEC Porter Emergency Center, LP	Contract # 029238R	1/3/2018	13 - 4 week campaigns	1/2/2019	06/11/18	6	Marketing
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
Stericycle, Inc	Neighbors Health, LLC	Multi-Site Service Agreement	4/1/2017	36 months	03/31/20	06/11/18	21	Operations
The Lamar Companies	Neighbors Health, LLC and NEC Porter Emergency Center, LLC	Contract # 2699094	1/1/2018	13 - 4 week campaigns	12/30/2018	06/11/18	6	Marketing
T-System, Inc	Neighbors Health, LLC	Site Opt-In Agreement	12/15/2015	5 years	12/14/20	06/11/18	30	Clinical
UpToDate, Inc	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical

Attachment to Schedule 3.06  
Desired 365 Contracts (Porter)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology

Attachment to Schedule 3.06  
Desired 365 Contracts (Yorktown)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
Admiral Linen Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Rental Agreement	11/4/2015	5 years	11/03/20	06/11/18	28	Operations
Airgas, Inc.	Neighbors Health, LLC f/k/a Neighbors Health System, LLC	Strategic Accounts Sales Agreement	4/14/2016	5 years	04/13/21	06/11/18	34	Operations
ALSCO, Inc. Admiral Linen and Uniform Service, Inc.	Neighbors Legacy Holdings, Inc. d/b/a Neighbors Emergency Center or Neighbors Health, LLC d/b/a Neighbors Emergency Center	Linen and/or Uniform Rental Service Agreement	11/19/2015	36 months	11/18/18	06/11/18	5	Operations
ARC Houston Healthcare, DST	NEC Yorktown Emergency Center, LP f/k/a NEC Yorktown Emergency Center, LLC	Lease Agreement	11/14/2013	15 years	10/31/2029	06/11/18	136	Facility Leases
AT&T	Neighbors Health, LLC	Phone Services Contract ID - 8550343 AT&T Fiber Broadband Bundle Express Agreement	9/28/2017	2 years	9/27/2019	06/11/18	15	IT
BBVA Compass Financial Corporation	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	00529-0003 Del Medical Digital U-arm, Mindray DPM CS, Mindray M7 Dicom, Central Station Network of Hardwi, GS LS 16 Used Tube	04/01/15	60 months	04/01/20	06/11/18	21	Equipment Leases
BeaconMedaes, LLC	NEC Yorktown Emergency Center, LP	Service Quotation: BTSBK17-0091-00 Medical Gas Preventative Plan Quote Summary	9/28/2017	1 year	09/27/18	06/11/18	3	Operations
Clear Channel Outdoor	Neighbors Health, LLC and NEC Yorktown Emergency Center, LP	Contract for Outdoor Advertising	3/26/2018	13- 4 week campaigns	3/25/2019	06/11/18	9	Marketing
Clear Channel Outdoor	Neighbors Health, LLC and NEC Yorktown Emergency Center, LP	Contract for Outdoor Advertising	6/19/2017	15-4 week campaigns	8/12/2018	06/11/18	2	Marketing
Clinical Diagnostic Solutions, Inc.	NEC Yorktown Emergency Center, LP	Service Support Agreement for the Medonic Series Hematology Analyzer	1/8/2018	1 year	1/7/2019	06/11/18	6	Clinical
DataVox, Inc.	NEC Yorktown Emergency Center, LP d/b/a Neighbors Emergency Center	998668 Toshiba Telephone System	02/18/15	48 months	02/18/19	06/11/18	8	Equipment Leases
TIAA Commercial Finance, Inc. f/k/a EverBank Commercial Finance, Inc. (formerly All Points Solution, Inc. d/b/a 3i International)	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	41262155 (2) Xerox WC 3655, (1) Xerox WC6655, (1) Xerox Phaser 3325, (1) Xerox Phaser 3320 (2) 097s40625	11/14/15	63 months	02/14/21	06/11/18	32	Equipment Leases
GAMMA Waste Systems, LLC	NEC Yorktown Emergency Center, LP d/b/a Neighbors Emergency Center (erroneously referred to as "NEC 24-Copperfield Emergency Center")	Service Agreement	10/24/2014	60 months	10/23/19	06/11/18	16	Operations
Medicus Laboratory Information Systems	NEC Yorktown Emergency Center, LP	Annual Software Support Agreement	7/20/2017	1 year	7/19/2018	06/11/18	1	Clinical
Medicus Laboratory Information Systems	NEC Yorktown Emergency Center, LP	Annual Software Support Agreement	7/21/2018	1 year	7/20/2019	06/11/18	13	Clinical
Megan Anderson	NEC Yorktown Emergency Center, LP	Consultant Pharmacist Service Agreement	10/9/2015	Until terminated	Until terminated	06/11/18	Until terminated	Clinical
Multipan, Inc.	Neighbors Physician Group, PLLC ("Neighbors Emergency Center" is assumed name)	MPI Participating Ancillary Agreement	2/15/2016	1 year	02/14/19	06/11/18	8	NPM
Novarad Corporation	Neighbors Health, LLC	Customer License Agreement	6/23/2017	3 years	6/22/2020	06/11/18	24	Radiology
Omicell, Inc.	NEC Yorktown Emergency Center, LP	Quote - 43892	6/1/2018	12 months	5/31/2019	06/11/18	11	Operations
Passport Health Communications, Medical Present Value Inc. and Search America Inc. (collectively referred as "Experian Health")	NEC Yorktown Emergency Center, LP	Presido End User Agreement	9/22/2017	36 months	09/21/20	06/11/18	27	NPM

Attachment to Schedule 3.06  
Desired 365 Contracts (Yorktown)

Vendor/Lessor	NEC Entity	Agreement Name or No.	Effective Date	Term	Ending Date	Today's date	Remaining Months	Department
ProStar Services, Inc d/b/a Parks Coffee	NEC Yorktown Emergency Center, LP d/b/a Neighbors Emergency Center	Equipment Agreement & Customer Information Account: 22924 Brand/Model/Serial: Keurig, B-3000, F0113351	11/3/2014	1 year	11/02/18	06/11/18	4	Operations
Protection One, a division of ADT, LLC	Neighbors Health, LLC	National Accounts Master Security Systems and Services Agreement - Multi-Location	12/18/2017	5 years	12/17/22	06/11/18	54	Operations
Roshal Imaging Services, Inc.	NEC Yorktown Emergency Center, LP	Professional Services Agreement	10/13/2014	3 years	10/12/2018	06/11/18	4	Radiology
Southwest Precision Printers, LLC	Neighbors Health, LLC	Agreement	5/1/2016	2 years	5/1/2019	06/11/18	10	Marketing
T-System, Inc.	Neighbors Health, LLC	Site Opt-In Agreement	7/22/2015	5 years	07/21/20	06/11/18	25	Clinical
UpToDate, Inc.	Neighbors Health, LLC	Contract No: 001-00-38997449	6/1/2016	1 year subscription	08/31/18	06/11/18	2	Clinical
Ventus Wireless, LLC	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Managed Services Agreement 4G LTE	9/18/2015	2 years	9/17/2018	06/11/18	3	IT
Waste Management, Inc.	NEC Yorktown Emergency Center, LP d/b/a Neighbors Emergency Center	WM Agreement # S0005082175	10/7/2014	3 Years	10/06/18	06/11/18	3	Operations
West Houston Radiology Associates, LLP	Neighbors Health, LLC d/b/a Neighbors Emergency Center	Professional Services Agreement	7/9/2017	Until terminated	Until terminated	06/11/18	Until terminated	Radiology
West Physics Consulting, LLC	Neighbors Health, LLC	Physics Service Agreement	1/18/2017	3 years	1/7/2020	06/11/18	18	Radiology
Wolters Kluwer Clinical Drug Information, Inc.	Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc.	Wolters Kluwer Clinical Drug Information Software License Agreement	6/15/2015	3 years	6/14/2018	06/11/18	0	Clinical

**Schedule 3.07(b)**

**Taxes**

Sellers have filed for extensions with the State of Texas with respect to the payment of their franchise Taxes.

### **Schedule 3.08**

#### **Affiliate Transactions**

1. Intellectual Property License Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and Neighbors Emergency Center, LLC, dated as of January 1, 2013.
2. Commercial Lease by and between NEC Baytown Emergency Center, LP and NEC Baytown Asset Holdings, LLC, dated as of October 18, 2012.
3. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Baytown Asset Holdings, LLC, dated effective as of November 16, 2015.
4. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Baytown Emergency Center, LP, dated as of January 1, 2014.
5. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Baytown Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of May 1, 2014.
6. Management and Administrative Services Agreement by and between Neighbors Health System, LLC (n/k/a Neighbors Health, LLC) and NEC Baytown Emergency Center, LP, dated effective as of November 16, 2015.
7. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Bellaire Emergency Center, LP, dated as of January 1, 2013.
8. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Bellaire Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of May 1, 2014.
9. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Bellaire Emergency Center, LP, dated effective as of November 16, 2015.
10. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Crosby Emergency Center, LP, dated as of February 26, 2015.
11. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Crosby Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of June 1, 2015.
12. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Crosby Emergency Center, LP, dated effective as of November 16, 2015.
13. Commercial Lease by and between NEC Kingwood Emergency Center, LP and NEC Kingwood Asset Holdings LLC, dated as of October 23, 2012.

14. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Kingwood Asset Holdings LLC, dated effective as of November 16, 2015.
15. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Kingwood Emergency Center, LP, dated as of January 1, 2014.
16. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Kingwood Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of May 1, 2014.
17. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Kingwood Emergency Center, LP, dated effective as of November 16, 2015.
18. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Pasadena Emergency Center, LP, dated as of January 2, 2014.
19. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Pasadena Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of May 1, 2014.
20. Management and Administrative Services Agreement by and between Neighbors Health System, LLC (n/k/a Neighbors Health, LLC) and NEC Pasadena Emergency Center, LP, dated effective as of November 16, 2015.
21. Commercial Lease by and between NEC Pearland Emergency Center, LP and NEC Pearland Asset Holdings, LLC, dated as of August 1, 2013.
22. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Pearland Asset Holdings, LLC, dated effective as of November 16, 2015.
23. Intellectual Property License Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Pearland Emergency Center, LP, dated as of January 1, 2014.
24. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Pearland Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of May 1, 2014.
25. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Pearland Emergency Center, LP, dated effective as of November 16, 2015.
26. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Porter Emergency Center, LP, dated as of April 21, 2015.
27. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Porter Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of June 1, 2015.

28. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Porter Emergency Center, LP, dated effective as of November 16, 2015.
29. Intellectual Property Sublicense Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Yorktown Emergency Center, LP, dated January 1, 2014.
30. Business Services Subcontract by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.), as Manager of NEC Yorktown Emergency Center, LP, and Neighbors Practice Management, LLC, dated effective as of May 1, 2014.
31. Management and Administrative Services Agreement by and between Neighbors Health System, Inc. (n/k/a Neighbors Legacy Holdings, Inc.) and NEC Yorktown Emergency Center, LP, dated effective as of November 16, 2015.

**Schedule 3.11**

**Legal Proceedings**

**Pending Litigation**

Seller	Case
<p>NEC Bellaire Emergency Center, LP NEC Porter Emergency Center, LP</p>	<p>Case No. 4:17-cv-02214-ERW; Central Bank of St. Louis vs. NEC Amarillo Emergency Center, LP, NEC Bellaire Emergency Center, LP, NEC Brownsville Emergency Center, LP, NEC College Station Emergency Center, LP, NEC Harlingen Emergency Center, LP, NEC Odessa Emergency Center, LP, NEC Porter Emergency Center, LP, NEC Texarkana Emergency Center, LP, Texas City Emergency Center, LP, NEC Wichita Falls Emergency Center, LP, Neighbors Global Holdings, LLC, Neighbors Health, LLC f/k/a Neighbors Health System, LLC, Neighbors Legacy Holdings, Inc.; In the United States District Court for the Eastern District of Missouri</p>
<p>NEC Bellaire Emergency Center, LP</p>	<p>Case No. 1:17-cv-06089-JSR; Signature Financial LLC vs. Neighbors Global Holdings, LLC, NEC Lufkin Emergency Center, LP, NEC Greeley Emergency Center, LP, NEC West Warwick Emergency Center, LP, NEC Lubbock Emergency Center, LP, Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc., Neighbors Health, LLC f/k/a Neighbors Health System, LLC and NEC Bellaire Emergency Center, LP; In the United States District Court, Southern District of New York</p>
<p>NEC Kingwood Emergency Center, LP NEC Bellaire Emergency Center, LP</p>	<p>Cause No. 2017-31786; Neighbors Legacy Holdings, Inc. f/k/a Neighbors Health System, Inc., Neighbors Health, LLC f/k/a Neighbors Health System, LLC, NEC Texas City Emergency Center, LP, NEC Tyler Emergency Center, LP, NEC Eastside Emergency Center, LP, NEC Port Arthur Emergency Center, LP, NEC Kingwood Emergency Center, LP, NEC Amarillo Emergency Center, LP, NEC Harlingen Emergency Center, LP, NEC Brownsville Emergency Center, LP, NEC McAllen Emergency Center, LP, EDMG, LLC, NEC College Station Emergency Center, LP, NEC Longview Emergency Center, LP, NEC Bellaire Emergency Center, LP, NEC Wichita Falls Emergency Center, LP, NEC Texarkana Emergency Center, LP, Neighbors Global Holdings, LLC, NEC San Angelo Emergency Center, LP, NEC Lufkin Emergency Center, LP, NEC Greeley Emergency Center, LP, NEC West Warwick Emergency Center, LP, NEC Lubbock Emergency Center, LP, Neighbors GP, LLC vs. All</p>

	Points Solutions, Inc. d/b/a 3i International, EverBank Commercial Finance, Inc., Signature Financial, LLC, Susquehanna Commercial Finance, Inc., Central Bank of St. Louis, Unifi Equipment Finance, Inc. and Chris Mitchell; In the 164 <sup>th</sup> Judicial District Court of Harris County, Texas
Neighbors Health, LLC	Cause NO. DC-18-00876; JL Parker Plumbing, Inc. v. Gerald H. Phipps, Inc. d/b/a GH Phipps Construction Co. and RKMS Grand Prairie LLC; In the 68 <sup>th</sup> Judicial District Court of Dallas County, Texas

**Threatened Litigation**

<b>Seller</b>	<b>Threatening Party</b>	<b>Basis of Claim</b>
NEC Baytown Emergency Center, LP	Advertising Services	Unpaid invoices
NEC Baytown Emergency Center, LP	Iron Mountain	Unpaid invoices
NEC Bellaire Emergency Center, LP	Iron Mountain	Unpaid invoices
NEC Kingwood Emergency Center, LP	The Tribune	Unpaid invoices
NEC Kingwood Emergency Center, LP	Steep Creek Media	Unpaid invoices
NEC Kingwood Emergency Center, LP	GreatAmerica Financial Services	Unpaid invoices
NEC Pasadena Emergency Center, LP	Omnicell	Unpaid invoices
NEC Porter Emergency Center, LP	Craig Anderson	Medical Malpractice

**Schedule 3.15**

**Real Property**

- (a) NEC Kingwood Emergency Center, LP – see Annex 3.15(a)-1  
NEC Baytown Emergency Center, LP – see Annex 3.15(a)-2  
NEC Pearland Emergency Center, LP – see Annex 3.15(a)-3
- (b) NEC Bellaire Emergency Center, LP – see Annex 3.15(b)-1  
NEC Crosby Emergency Center, LP – see Annex 3.15(b)-2  
NEC Porter Emergency Center, LP – see Annex 3.15(b)-3  
NEC Yorktown Emergency Center, LP – see Annex 3.15(b)-4  
NEC Pasadena Emergency Center, LP – see Annex 3.15(b)-5
- (c) None.
- (e) None.
- (f) None.
- (g) None.
- (h) None.

**Annex 3.15(a)-1**

[See attached.]

## LEGAL DESCRIPTION

### 1120 Kingwood Drive, Kingwood, Harris County, Texas 77339

#### TRACT 1

BEING A 1.633 ACRE (71,145 SQ. FT.) TRACT OF LAND COMPRISING PART OF RESTRICTED RESERVE "B", KINGWOOD PLACE, SECTION 11, (VOL.309, PG. 70, HARRIS COUNTY MAP RECORDS) IN THE MARY OWENS SURVEY, A-611, HARRIS COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN STATE FARM MUTUAL AUTOMOTIVE INSURANCE COMPANY TRACT DESCRIBED IN HARRIS COUNTY CLERK'S FILE NO. H712106. THE 1.633 ACRE TRACT IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD FOUND AT THE INTERSECTION OF THE LINE COMMON TO RESTRICTED RESERVE "A" AND THE RESTRICTED RESERVE "B" IN SAID KINGWOOD PLACE, SECTION 11 WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF KINGWOOD DRIVE (WIDTH VARIES) AND FROM WHICH A 1/2 INCH IRON PIPE BEARS S 87° 31' 33" W -8.29 FEET;

THENCE N 87° 31' 33" E ALONG THE LINE COMMON TO SAID KINGWOOD DRIVE (VOL. 7800, PG. 559, HARRIS COUNTY DEED RECORDS) AND SAID RESTRICTED RESERVE "B" A DISTANCE OF 235.00 FEET TO A 5/8 INCH IRON WITH CAP SET FOR THE NORTHEAST CORNER OF THIS 1.633 ACRE TRACT AND FROM WHICH A 5/8 INCH IRON ROD WITH CAP (SURVCON) BEARS N 87° 31' 33" E - 177.44 FEET (CALL 177.03 FEET);

THENCE S 02° 17' 43" E, A DISTANCE OF 302.44 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF THIS 1.633 ACRE TRACT AND FROM WHICH A 1/2 INCH IRON ROD FOUND IN CONCRETE BEARS 0.69' S & 3.16' E;

THENCE S 87° 22' 43" W ALONG THE SOUTH LINE OF SAID RESTRICTED RESERVE "B" AND THE NORTH LINE OF THAT CERTAIN FOREST COVE COUNTY CLUB ESTATES, SECTION 4 (VOL. 138,G. 25, HCMR) A DISTANCE OF 235.00 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THIS 1.633 ACRE TRACT;

THENCE N 02° 17' 43" W ALONG THE EAST LINE OF SAID RESTRICTED RESERVE "A" AND THE WEST LINE OF SAID RESTRICTED RESERVE "B" A DISTANCE OF 303.05 FEET TO THE POINT OF BEGINNING.

**Annex 3.15(a)-2**

[See attached.]

**LEGAL DESCRIPTION**

Unit 1, BAYTOWN MEDICAL EMERGENCY COMPLEX REPLAT, (CONDOMINIUM PROJECT), FINAL PLAT, a Condominium project in the City of Baytown, Harris County, Texas, as recorded in Volume 647 Page 200, Map Records, Harris County, Texas, together with the limited common elements, and an undivided interest in and to the general common elements thereto, as fully described in and as located, delineated and defined in the Condominium Declaration for BAYTOWN MEDICAL EMERGENCY COMPLEX, together with the survey plat, by-laws and exhibits attached thereto recorded in Volume 212 Page 29, of the Condominium Records of Harris County, Texas, and Harris County Clerk's File No. 20120162971, and amended by First Amendment to Declaration and Plats filed for record in the Condominium Records dated January 15, 2013, executed by Ansara, FLP, as Declarant and under County Clerk's File No. , of the Official Public Records of Harris County, Texas and Second Amendment to Declaration and Plats Filed for record in the Condominium Records dated January 15, 2013, executed by Ansara, FLP, as Declarant and filed under County Clerk's File No. , of the Official Public Records of Harris County, Texas.



**Annex 3.15(a)-3**

[See attached.]

### **LEGAL DESCRIPTION OF THE PROPERTY**

All that tract or parcel of land being more particularly described as Lot Nine (9), Block One (1), as shown on "An Amending Plat of a Replat of Pearland Town Center 142.9664 Acres of Land," a subdivision located in the City of Pearland, Brazoria County, Texas, according to the map or plat thereof, filed of record on February 1, 2008, as Document No. 2008005836, in the Official Public Records of the Office of the County Clerk of Brazoria County, Texas.

**Annex 3.15(b)-1**

[See attached.]

**LEGAL DESCRIPTION**

A TRACT OR PARCEL CONTAINING 1.7005 ACRES OR 74,074 SQUARE FEET OF LAND, BEING A PORTION OF UNRESTRICTED RESERVE "B" OF UPTOWN CROSSING RETAIL SECTION I, MAP OR PLAT RECORDED UNDER FILM CODE NO. 665182 OF THE HARRIS COUNTY MAP RECORDS, SITUATED IN THE HARRY SANDERSON SURVEY, ABSTRACT NO. 725 AND THE T.W. HOUSE SURVEY, A-1044, HARRIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83):

BEGINNING AT A 5/8 INCH IRON ROD WITH CAP STAMPED "BROWN & GAY" FOUND ON THE EAST RIGHT-OF-WAY (R.O.W.) LINE OF SOUTH RICE AVENUE (PLATTED AS RICE AVENUE, CALLED 90' WIDE) AS RECORDED UNDER VOLUME 3, PG. 60, H.C.M.R. AND MARKING A WEST CORNER OF UNRESTRICTED RESERVE "A" OF SAID UPTOWN CROSSING RETAIL SECTION I AND THE MOST WESTERLY NORTHWEST CORNER OF SAID RESTRICTED RESERVE "B" AND OF THE HEREIN DESCRIBED TRACT;

THENCE, DEPARTING THE EAST R.O.W. LINE OF SAID SOUTH RICE AVENUE AND ALONG THE COMMON LINE BETWEEN SAID RESERVES "A" AND "B", NORTH 42 DEGREES 37 MINUTES 21 SECONDS EAST, A DISTANCE OF 31.11 FEET TO A 1/2 INCH IRON PIPE WITH CAP STAMPED "BROWN & GAY" FOUND MARKING AN ANGLE POINT OF SAID UNRESTRICTED RESERVE "A" AND THE MOST NORTHERLY NORTHWEST CORNER OF SAID UNRESTRICTED RESERVE "B" AND OF THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG SAID COMMON LINE NORTH 87 DEG. 37 MIN. 21 SEC. EAST, A DISTANCE OF 148.00 FEET TO A 1/2 INCH IRON PIPE FOUND MARKING AN ANGLE POINT OF SAID UNRESTRICTED RESERVE "A" AND THE MOST NORTHERLY NORTHEAST CORNER OF SAID UNRESTRICTED RESERVE "B" AND THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG SAID COMMON LINE, SOUTH 47 DEG. 22 MIN. 39 SEC. EAST, A DISTANCE OF 56.57 FEET TO A 1/2 INCH IRON PIPE WITH CAP STAMPED "BROWN & GAY" FOUND MARKING AN ANGLE POINT OF SAID UNRESTRICTED RESERVE "A" AND THE MOST EASTERLY NORTHEAST CORNER OF SAID UNRESTRICTED RESERVE "B" AND THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG SAID COMMON LINE, SOUTH 02 DEG. 22 MIN. 29 SEC. EAST, A DISTANCE OF 259.32 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "WINDROSE LAND SERVICES" SET MARKING AN EAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, OVER AND ACROSS SAID UNRESTRICTED RESERVE "B", SOUTH 57 DEG. 37 MIN. 21 SEC. WEST, A DISTANCE OF 16.50 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "WINDROSE LAND SERVICES" SET MARKING AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 02 DEG. 22 MIN. 39 SEC. EAST, A DISTANCE OF 72.80 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "WINDROSE LAND SERVICES" SET MARKING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 87 DEG. 37 MIN. 21 SEC. WEST, A DISTANCE OF 159.59 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "WINDROSE LAND SERVICES" SET MARKING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

CORNER

THENCE, NORTH 02 DEG. 22 MIN. 39 SEC. WEST, A DISTANCE OF 53.99 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "WINDROSE LAND SERVICES" SET MARKING AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 87 DEG. 36 MIN. 38 SEC. WEST, A DISTANCE OF 33.91 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "WINDROSE LAND SERVICES" SET ON THE EAST R.O.W. LINE OF SAID SOUTH RICE AVENUE AND MARKING A WEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, ALONG THE EAST R.O.W. LINE OF SAID SOUTH RICE AVENUE, NORTH 02 DEG. 22 MIN. 39 SEC. WEST, A DISTANCE OF 296.14 FEET TO THE PLACE OF BEGINNING, AND CONTAINING 1.7005 ACRES OR 74,074 SQUARE FEET OF LAND, AS SHOWN ON JOB NO. 43604, PREPARED BY WINDROSE LAND SERVICES, INC.

**Annex 3.15(b)-2**

[See attached.]

**LEGAL DESCRIPTION OF PROPERTY**

**Metes and Bounds Description**

Being a 1.1956 acre (52,083 square feet) parcel of land situated in the S.T. Champney Survey, Abstract 791, Harris County, Texas and being out of and part of that certain 5.6142 acre (called) tract conveyed to Williamsburg Dove LLC, as recorded in Harris County Clerk's File No. 20120541988 of the Official Public Records of Real Property (O.P.R.R.P.), said 0.5824 acre parcel being more particularly described by metes and bounds as follows:

**COMMENCING** at a point lying on the existing east right-of-way line of FM 2100 – Crosby Lynchburg Road (100 feet wide) for the southwest corner of Unrestricted Reserve "A", Block One, Kwik Crosby – F. M. 2100, as recorded in Film Code No. 397020 of the Harris County Map Records (H.C.M.R.), same being the most westerly northwest corner of the herein described tract, from which a 1-inch iron pipe (found) bears, South 86°55'22" West, 0.53 feet;

**THENCE** South 02°54'35" East, continuing along the existing east right-of-way line of said FM 2100-Lynchburg Road and the west line of said 5.6142 acre tract, a distance of 206.00 feet to a 5/8-inch iron rod with cap stamped "Bury+Partners" (set), and being the **POINT OF BEGINNING** of the herein described tract;

Leaving said existing right-of-way line of said FM 2100-Lynchburg Road and over and across said 5.6142 acre tract the following four (4) course and distances;

- 1) **THENCE**, North 87°05'25" East, a distance of 219.25 feet to a 5/8-inch iron rod with cap stamped "Bury+Partners" (set) for an exterior corner;
- 2) **THENCE** ,South 02°54'35" East, a distance of 16.20 feet to a 5/8-inch iron rod with cap stamped "Bury+Partners" (set) for an interior corner;
- 3) **THENCE**, North 87°05'25" East, a distance of 72.75 feet to a 5/8-inch iron rod with cap stamped "Bury+Partners" (set) for the most northerly northeast corner of the herein described tract;
- 4) **THENCE**, South 02°54'35" East, over and across said Williamsburg tract, a distance of 165.64 feet to a 5/8-inch iron rod with cap stamped "Bury+Partners" (set) on a point on the north line of a certain 6.0692 acre (called) tract conveyed to Salinas Real Estate Holdings, L.L.C., as recorded in Harris County Clerk's File No. X459420, O.P.R.R.P., same being the southeast corner of the herein described tract;

THENCE, South  $86^{\circ}52'12''$  West, along the north line of said 6.0692 acre (called) tract and the south line of the herein described tract, a distance of 292.01 feet to a 5/8-inch iron rod with cap stamped "Bury+Partners" (set) on the said existing east right-of-way line of FM 2100 – Crosby Lynchburg Road and being the southwest corner of the herein described tract;

THENCE, North  $02^{\circ}54'35''$  West, along the said existing east right-of-way line of FM 2100 – Crosby Lynchburg Road and the west line of the herein described tract, a distance of 182.96 feet to the **Point of Beginning** and containing a calculated area of 1.1956 acres (52,083 square feet) of land more or less.

All bearings and coordinates are based on the Texas State Plane Coordinate System, South Central Zone, North American Datum of 1983. All distances and coordinates shown are surface.

**Annex 3.15(b)-3**

[See attached.]

**LEGAL DESCRIPTION OF PROPERTY**

COMMENCING at a 3/4 inch iron with cap found at the intersection of the South right-of-way line of Valley Ranch Crossing Drive (width varies) and the Westerly right-of-way line of U.S. Highway No. 59 (320 feet wide) for the easterly most Northeast corner of said Restricted Reserve "A";

THENCE, South 12°02'49" West, along the Westerly right-of-way line of U.S. Highway No. 59, same being the Easterly line of said Reserve "A", at 345.05 feet to a P.K. Nail found in concrete Drive for the Southeasterly corner of that certain called 1.993 acre tract recorded under Montgomery County Clerk's File No. 2011022253 and continuing a total distance of 516.55 feet to a 5/8 inch iron rod set for the Northeasterly corner and POINT OF BEGINNING of the herein described tract;

THENCE, South 12°02'49" West, continuing along the Westerly right-of-way line of U.S. Highway No. 59, a distance of 124.08 feet to a 5/8 inch iron rod set for the Northeast corner of that certain called 100 square foot tract recorded under M.C.C.F. No. 2006031563 and in Cabinet Z, Sheets 1532 & 1533 M.C.M.R.;

THENCE, South 86°22'06" West, a distance of 10.00 feet to a 5/8 inch iron rod set for the Northwest corner of said called 100 square foot tract;

THENCE, South 12°02'49" West, a distance of 10.00 feet to a 5/8 inch iron rod set for the Southwest corner of said called 100 square foot tract;

THENCE, North 86°22'06" East, a distance of 10.00 feet to a 5/8 inch iron rod set in the Westerly right-of-way line of U.S. Highway No. 59, for the Southeast corner of said called 100 square foot tract;

THENCE, South 12°02'49" West, along the Westerly right-of-way line of U.S. Highway No. 59, a distance of 0.81 feet to a point for the Southeasterly corner of said Reserve "A" and the herein described tract, from which a found TxDot monument bears, N 89°19' E, 0.51 feet;

THENCE, South 86°24'12" West, along the South line of said Reserve "A", a distance of 16.31 feet to a point for corner, said point marks the Southeast corner of that certain called 0.022 acre

(Tract IV) recorded under M.C.C.F. No. 2013133617;

THENCE, North 12°02'49" East, a distance of 20.00 feet to a point for corner, said point marks the Northeast corner of said called 0.022 acre (Tract IV);

THENCE, South 86°24'12" West, a distance of 50.00 feet to a point for corner, said point marks the Northwest corner of said called 0.022 acre (Tract IV);

THENCE, South 12°02'49" West, a distance of 20.00 feet to a point in the South line of said Reserve "A" for corner, said point marks the Southwest corner of said called 0.022 acre (Tract IV);

THENCE, South 86°24'12" West, along the South line of said Reserve "A", a distance of 195.38 feet to a point for the Southwesterly corner of the herein described tract, from which a found 5/8 inch iron rod with cap bears N 72°15' W, 0.33 feet;

THENCE, North 12°02'49" East, along the Easterly line of 60-foot wide Access and Utility easement recorded under M.C.C.F. No. 2009-025340 and 2009025341, a distance of 205.46 feet to a 5/8 inch iron rod set for the Northwest corner of the herein described tract;

THENCE, South 77°57'11" East, a distance of 252.00 feet to the POINT OF BEGINNING and containing 0.9602 acre (41,825 square feet) of land, more or less.

**Annex 3.15(b)-4**

[See attached.]

**LEGAL DESCRIPTION OF PROPERTY**

A tract of land containing 1.836 acres being out of Restricted Reserve "B", Block 2, Yorktown Crossing, Section 1, recorded in Film Code No. 600047, Harris County Map Records, Texas and being more particularly described by metes and bounds as follows;

**BEGINNING**, at a found five eighths inch iron rod with cap stamped "CCI", marking the northeast corner of the tract herein described and being in the west line of State Highway 6, (100 foot wide);

1. **THENCE**, South 02 degrees 19 minutes 46 seconds East, along the east line of the tract herein described and the west line of said State Highway 6, for a distance of 161.25 feet to a set five eighths inch iron rod with cap stamped "CCI", marking the southeast corner of the tract herein described;
2. **THENCE**, South 87 degrees 39 minutes 15 seconds West, over and across said Restricted Reserve "B" and along the south line of the tract herein described, for a distance of 483.09 feet to a set five eighths inch iron rod with cap stamped "CCI", marking the southwest corner of the tract herein described, being in the east line of Homma Drive (60 foot wide and being in a non-tangent curve to the right;
3. **THENCE**, for an arc length of 80.25 feet, along the east line of said Homma Drive, the west line of Restricted Reserve "B" and following a curve to the right, having a radius of 281.29 feet, a chord bearing of North 10 degrees 31 minutes 50 seconds West and a chord distance of 79.98 feet to a set five eighths inch iron rod with cap stamped "CCI";
4. **THENCE**, North 02 degrees 19 minutes 55 seconds West, continuing along the east line of said Homma Drive and the west line of Restricted Reserve "B", for a distance of 84.22 feet to a set five eighths inch iron rod with cap stamped "CCI", marking the northwest corner of the tract herein described;
5. **THENCE**, North 87 degrees 54 minutes 04 seconds East, along the north line of the tract herein described, for a distance of 494.50 feet to the **POINT OF BEGINNING**.

**Annex 3.15(b)-5**

[See attached.]

07/28/11  
3.329 ACRES  
Fabricus Reynolds Survey, A - 643  
ANGEL GARDENS ADDITION  
HARRIS COUNTY, TEXAS

**DESCRIPTION**

Of 3.329 acres of land being all of Unrestricted Reserve "A" of Angel Gardens Addition as recorded in the Film Code No. 606268 of the Map Records of Harris County, Texas, located in the Fabricus Reynolds Survey, Abstract No. 643, Harris County, Texas and being more particularly described by metes and bounds as follows; (bearings based upon the Texas State Plane Coordinate System, South Central Zone No. 4204. (NAD 83);

**BEGINNING** at a 5/8 inch iron rod with cap (CCI) found for the northerly end of a cut back corner in the westerly right-of-way line of Center Street (100' R.O.W.), said point being the most easterly southeast corner of said Unrestricted Reserve "A";

**THENCE** South 46°22'42" West, along the west right-of-way line of said Center Street for a distance of 37.95 feet to a 5/8 inch iron rod with cap (CCI) found for the southerly end of said cut back corner, said point being in the northerly right-of-way line of Fairmont Parkway (Variable width R.O.W.) said point being the most southerly southeast corner of said Unrestricted Reserve "A";

**THENCE** South 87°00'21" West along the north right-of-way line of said Fairmont Parkway same being the south line of said Unrestricted Reserve "A" for a distance of 415.00 feet to a PK nail found for the southwest corner of said Unrestricted Reserve "A" and the southeast corner of Unrestricted Reserve "C";

**THENCE** North 02°59'39" West, along the west line of said Unrestricted Reserve "A" and the east line of said Unrestricted Reserve "C", for a distance of 248.07 feet to an "X" found in concrete for the most southerly southwest corner of Unrestricted Reserve "D" of said Angel Gardens Addition and the northwest corner of said Unrestricted Reserve "A";

**THENCE** North 87°00'21" East, along the common line of said Unrestricted Reserve "A" and said Unrestricted Reserve "D" for a distance of 289.64 feet to an "X" found in concrete corner;

**THENCE** North 10°09'40" East, along the common line of said Unrestricted Reserve "A" and said Unrestricted Reserve "D" for a distance of 149.94 feet to a 5/8 inch iron rod with cap found for corner in the south line of said Unrestricted Reserve "B";

**THENCE** North 87°08'04" East, along the common line of said Unrestricted Reserve "A" and said Unrestricted Reserve "B" for a distance of 214.93 feet to a 5/8 inch iron rod with cap (CCI) found for the northeast corner of said Unrestricted Reserve "A", same being in the west line of said Center Street;

**THENCE** along the west right-of-way line of said Center Street along a curve to the left having a central angle of 10°39'39", a radius of 2050.00 feet, an arc length of 381.44 feet, and a chord bearing and distance of South 11°25'55" West - 380.89 feet to the **PLACE OF BEGINNING** of the herein described tract of land and containing within these calls 145,011 square feet or 3.329 acres of land.

**WITNESS MY HAND AND SEAL THIS THE 28<sup>TH</sup> DAY OF JULY, 2011**



Scot Lowe  
Registered Professional Land Surveyor No. 5007



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**ASSET PURCHASE AGREEMENT**

**by and among**

**NEC PORT ARTHUR EMERGENCY CENTER, LP,  
NEC MIDLAND EMERGENCY CENTER, LP,  
NEC ODESSA EMERGENCY CENTER, LP,  
NEC AMARILLO EMERGENCY CENTER, LP,  
NEC EASTSIDE EMERGENCY CENTER, LP,  
NEC BROWNSVILLE EMERGENCY CENTER, LP,  
NEC BEAUMONT EMERGENCY CENTER, LP,  
NEC HARLINGEN EMERGENCY CENTER, LP,  
NEC MUELLER EMERGENCY CENTER, LP,  
NEC ORANGE EMERGENCY CENTER, LP,  
NEC TEXARKANA EMERGENCY CENTER, LP,  
NEC MCALLEN EMERGENCY CENTER, LP,  
NEC LUBBOCK EMERGENCY CENTER, LP, and  
NEC PARIS EMERGENCY CENTER, LP,  
as Operating Sellers**

**NEC BEAUMONT ASSET HOLDINGS, LLC,  
as Owned Real Property Seller**

**NEIGHBORS LEGACY HOLDINGS, INC.,  
NEIGHBORS GLOBAL HOLDINGS, LLC,  
NEIGHBORS HEALTH, LLC,  
EDMG, LLC, and  
NEIGHBORS PRACTICE MANAGEMENT, LLC,  
as Corporate and Shared Services Sellers**

**and**

**FOSTRE, INC.,  
as Buyer**

**dated**

**July 20, 2018**

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is dated as of July 20, 2018 (the “**Execution Date**”), by and among (i) Fostre, Inc., a Texas corporation (“**Buyer**”), and (ii) NEC Port Arthur Emergency Center, LP, a Texas limited partnership, NEC Midland Emergency Center, LP, a Texas limited partnership, NEC Odessa Emergency Center, LP, a Texas limited partnership, NEC Amarillo Emergency Center, LP, a Texas limited partnership, NEC Eastside Emergency Center, LP, a Texas limited partnership, NEC Brownsville Emergency Center, LP, a Texas limited partnership, NEC Beaumont Emergency Center, LP, a Texas limited partnership, NEC Harlingen Emergency Center, LP, a Texas limited partnership, NEC Mueller Emergency Center, LP, a Texas limited partnership, NEC Orange Emergency Center, LP, a Texas limited partnership, NEC Texarkana Emergency Center, LP, a Texas limited partnership, NEC McAllen Emergency Center, LP, a Texas limited partnership, NEC Lubbock Emergency Center, LP, a Texas limited partnership, and NEC Paris Emergency Center, LP, a Texas limited partnership (collectively, the “**Operating Sellers**” and each individually, an “**Operating Seller**”), (iii) NEC Beaumont Asset Holdings, LLC, a Texas limited liability company (the “**Owned Real Property Seller**”), (iv) Neighbors Legacy Holdings, Inc., a Texas corporation (“**Seller Parent**”), Neighbors Global Holdings, LLC, a Delaware limited liability company (“**Global Holdings**”), Neighbors Health, LLC, a Texas limited liability company (“**Neighbors Health**”), EDMG, LLC, a Texas limited liability company (“**EDMG**”), and Neighbors Practice Management, LLC, a Texas limited liability company (“**NPM**” and collectively with Seller Parent, Global Holdings, Neighbors Health and EDMG, the “**Corporate and Shared Services Sellers**” and each individually, a “**Corporate and Shared Services Seller**,” and collectively with the Operating Sellers and the Owned Real Property Seller, the “**Sellers**” and each individually, a “**Seller**”). Buyer and Sellers are sometimes referred to collectively herein as the “**Parties**” and singly as a “**Party**.”

### RECITALS

A. The Operating Sellers are or were engaged in the business of operating the emergency centers and the corporate office listed on Exhibit A (each a “**Facility**” and collectively, the “**Facilities**”), and the Corporate and Shared Services Sellers are or were engaged in performing corporate functions relative to the operation of the Facilities (collectively with the business conducted by the Operating Sellers at the Facilities, the “**Acquired Business**”).

B. The Sellers have been soliciting bids for the Acquired Business, the Transferred Assets (as defined below), and the Specifically Assumed Liabilities (as defined below), and have determined that the offer of Buyer set forth below is the highest and best offer received for the Acquired Business, the Transferred Assets and the Specifically Assumed Liabilities to date and constitutes a fair and adequate purchase price. The offer of the Buyer is also fair and reasonable for all purposes and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable law.

C. On July 12, 2018, each Seller other than NEC Beaumont Emergency Center, LP and the Owned Real Property Seller (together, the “**Beaumont Sellers**”) filed voluntary petitions under Chapter 11 of the Bankruptcy Code (as defined below) in the Bankruptcy Court (as

defined below), and promptly after the date hereof, the Beaumont Sellers will file voluntary petitions under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

D. On the terms and conditions of this Agreement, and as authorized under Sections 363 and 365 of the Bankruptcy Code, the Sellers desire to sell to Buyer, and Buyer desires to purchase from the Sellers, all of the Transferred Assets, and Buyer is willing to assume all of the Specifically Assumed Liabilities.

NOW, THEREFORE, in consideration of the mutual promises, representations and warranties made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto, intending to be legally bound, and subject only to the required approvals of the Bankruptcy Court, agree as follows:

## ARTICLE 1 DEFINITIONS AND INTERPRETIVE MATTERS

### Section 1.01 Definitions.

The following terms, as used herein, have the following meanings:

“**365 Contracts**” means, subject to the filing of the Bankruptcy Cases, all Contracts that may be assumed by the Debtors pursuant to Section 365 of the Bankruptcy Code.

“**Accounts Receivable**” means, as of 12:01 a.m. on the Closing Date, all accounts receivable, trade receivables, notes receivables, and all other receivables, whether accrued, current or overdue, and all rights to payment from third parties (including uncashed checks) and the full benefit of all security for such accounts or notes receivable and rights to payment of Sellers, in each case other than Intercompany Indebtedness.

“**Acquired Business**” is defined in the Recitals hereto.

“**Adverse Consequences**” means all Proceedings, charges, complaints, demands, injunctions, judgments, orders, decrees, awards, rulings, damages, penalties, fines, costs, reasonable amounts paid in settlement, Liabilities, obligations, Taxes, Liens, losses, expenses and fees, including court costs and reasonable attorneys’ fees and expenses.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person. For such purposes, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Aggregate Patient Volume**” means the total number of patients registered at the Facilities in the previous 30 days.

“**Agreement**” is defined in the opening paragraph hereof.

“**Alternative Agreement**” means one or more definitive agreements with respect to one or more Alternative Transactions.

“**Alternative Transaction**” means a transaction or series of related transactions pursuant to which the Sellers sell all or a substantial portion of the Transferred Assets or any group of assets that includes all or a substantial portion of the Transferred Assets, from a Person other than Buyer or an Affiliate of Buyer, as the highest or best offer, in accordance with the Bidding Procedures Order or otherwise, but does not mean the sale of goods or services conducted in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date.

“**Applicable Law**” means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, ordinance, code, rule, regulation or Order adopted or promulgated by, and the terms of any Permit issued by, a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Auction**” is defined in Section 5.02(a).

“**Auction Deadline**” is defined in Section 5.02(f).

“**Average Net Revenue Per Patient**” means a dollar amount equal to the Facility’s revenue net of discounts for the previous 30 days divided by Aggregate Patient Volume.

“**Avoidance Actions**” is defined in Section 2.02(m).

“**Back-Up Bid**” is defined in Section 5.02(f).

“**Back-Up Bidder**” is defined in Section 5.02(f).

“**Bankruptcy Cases**” means the bankruptcy cases of the Debtors (other than the Beaumont Sellers) which were filed on July 12, 2018 under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court and, with respect to the Beaumont Sellers, are proposed to be filed under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court, and jointly administered by the Bankruptcy Court.

“**Bankruptcy Code**” means Title 11 of the United States Code, as amended.

“**Bankruptcy Court**” means the United States Bankruptcy Court for the Southern District of Texas or any other court having jurisdiction over the Bankruptcy Cases from time to time.

“**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the Southern District of Texas and the Local Rules of the United States Bankruptcy Court for the Southern District of Texas, each as in effect on the Petition Date or as thereafter amended, to the extent applicable to the Bankruptcy Cases or proceedings therein, as the case may be.

“**Beaumont Sellers**” is defined in the opening paragraph of this Agreement.

“**Bid Protections**” is defined in Section 5.02(c).

“**Bidding Procedures and Sale Motion**” means the motion, in the form of Exhibit B attached hereto, filed by certain of the Debtors with the Bankruptcy Court seeking, among other things, entry of the Bidding Procedures Order and the Sale Order.

“**Bidding Procedures Order**” means an order of the Bankruptcy Court, substantially in the form of Exhibit C attached hereto, that approves, *inter alia*, bidding and auction procedures to be followed by the Debtors and all potential bidders for the Transferred Assets.

“**Bidding Procedures Order Deadline**” means August 10, 2018.

“**Bill of Sale**” means an instrument, in form and substance reasonably satisfactory to the Debtors and Buyer, assigning, conveying and transferring the Transferred Assets (other than the Desired 365 Contracts and the Real Property Leases) to Buyer.

“**Business Day**” means any day, excluding Saturdays, Sundays or “legal holidays” (as referenced in Bankruptcy Rule 9006(a)), on which nationally chartered commercial banks are open for business in Houston, Texas.

“**Buyer**” is defined in the opening paragraph of this Agreement.

“**Buyer Material Adverse Effect**” means a material adverse effect on the ability of Buyer to consummate the Transactions or to perform its obligations hereunder and under the other Transaction Documents to which it is or will be a Party.

“**Buyer’s Transferred Employee List**” is defined in Section 6.02(b).

“**Cash Deposits**” means the total amount of any cash and negotiable instruments of the Sellers that constitute deposits securing any performance bonds, surety bonds, letters of credit, guarantees, security deposits or similar assurances outstanding as of the Closing Date, but excluding utility deposits.

“**Cash Purchase Price**” is defined in Section 2.06(a).

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and any rules or regulations promulgated thereunder.

“**Chosen Courts**” is defined in Section 10.08.

“**CHOW**” is defined in Section 5.05(b).

“**Claim**” means a claim as defined in Section 101(5) of the Bankruptcy Code.

“**Closing**” is defined in Section 2.08(a).

“**Closing Date**” means the date of the Closing.

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Confidentiality Agreement**” means the Confidentiality Agreement dated as of January 19, 2018, between Project Sphinx and Plains ER Management Ltd.

“**Contract**” or “**contract**” means, whether written or oral, any contract, agreement, lease, license, commitment, indenture, note, bond, sale and purchase order, instrument, or other binding arrangement or understanding, and with respect to any Contract to which a Seller is a party, such contract that Seller is permitted under the Bankruptcy Code to assume and assign or sell and transfer (including any amendments or modifications thereto).

“**Corporate and Shared Services Sellers**” is defined in the opening paragraph of this Agreement.

“**Cure Costs**” means the amount necessary to cure defaults under any Desired 365 Contract and to compensate the non-debtor party for any actual pecuniary loss resulting from such defaults in order to assume and assign the Desired 365 Contract under Sections 365(a) and 365(f) of the Bankruptcy Code.

“**Debtor**” or “**Debtors**” means any Seller individually, and the Sellers, collectively, following the filing of the Bankruptcy Cases.

“**Deposit**” is defined in Section 2.05(a).

“**Desired 365 Contracts**” is defined in Section 5.03(b).

“**Desired Headquarters Space**” is defined in Section 2.08(c)(vii).

“**Effective Time**” means 12:01 a.m. local time in Houston, Texas on the day after the Closing Date.

“**Employees**” means those Persons employed by the Sellers who either (i) worked primarily for the Acquired Business or (ii) provided administrative, billing and collection or corporate services to the Facilities immediately prior to the Closing, including any such individual on leave of absence.

“**End Date**” is defined in Section 9.01(b).

“**Environmental Laws**” means any Applicable Law, or any agreement with any Governmental Authority to which any Seller is a party, relating to human health and safety, the environment or to pollutants, contaminants, wastes, chemicals, or toxic or other Hazardous Materials.

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

“**ERISA Affiliate**” of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Internal Revenue Code.

“**ERISA Plan**” means any (i) “employee benefit plans” (as defined in Section 3(3) of ERISA) and any bonus, stock option, stock purchase, restricted stock, equity based, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, change in control or other benefit plans, programs or arrangements, and all employment, termination, severance, any cafeteria plan or any holiday or vacation plan or practice or other contracts or agreements, to which the Sellers, or any of their ERISA Affiliates is a party, with respect to which the Sellers, or any of their ERISA Affiliates has any obligation to or which are maintained, contributed to or sponsored by the Sellers or any of their ERISA Affiliates for the benefit of any Employee or former employee, officer or director of the Sellers, (ii) employee benefit plan for which the Sellers could incur liability under Section 4069 of ERISA in the event such plan has been or were to be terminated and (iii) plan in respect of which the Sellers could incur liability under Section 4212(c) of ERISA.

“**Escrow Agent**” means Fidelity National Title Insurance Company, 1900 West Loop South, Suite 200, Houston, Texas 77027, Attn: Ms. Debbie Barela.

“**Excluded Contracts**” is defined in Section 2.02(q).

“**Execution Date**” is defined in the opening paragraph of this Agreement.

“**Final Order**” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, (i) which has not been reversed, stayed, modified, amended, enjoined, set aside, annulled or suspended, (ii) with respect to which no request for a stay, motion or application for reconsideration or rehearing, notice of appeal or petition for certiorari is filed within the deadline provided by applicable statute or regulation or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, and (iii) as to which the deadlines for filing such request, motion, petition, application, appeal or notice referred to in clause (ii) above have expired.

“**Final Order Deadline**” is defined in Section 5.02(h).

“**Financial Statements**” is defined in Section 3.05.

“**GAAP**” means generally accepted accounting principles in the United States, consistently applied in accordance with past practice.

“**Global Holdings**” is defined in the opening paragraph of this Agreement.

“**Governmental Authority**” means any trans-national, domestic or foreign federal, state or local, governmental unit, authority, department, court, agency or official, including any political subdivision thereof.

“**Hazardous Materials**” means chemicals, pollutants, radioactive material, contaminants, wastes, toxic or hazardous substances, materials or wastes, petroleum and petroleum products,

medical waste, biohazardous waste, asbestos or asbestos-containing materials or products, polychlorinated biphenyls, lead or lead-based paints or materials, radon, fungus, mold, mycotoxins, nanoparticles or other substances that may have an adverse effect on human health or the environment.

**“Headquarters”** means the corporate headquarters of Seller Parent located at 10800 Richmond Ave., Houston, Texas 77042.

**“Headquarters Lease Landlord”** means InvestCorp Group, Ltd..

**“Healthcare Laws”** means any Applicable Law related to the regulation of the healthcare industry (including, but not limited to, the addiction treatment industry, the behavioral health industry, the hospital and other health care facilities industry, the pharmaceuticals industry and the physician practice management industry), the regulation of healthcare professionals (including, but not limited to, physicians and nurses and physician assistants), or to payment for items or services rendered, provided, dispensed, or furnished by healthcare suppliers or providers (including, but not limited to, physician practices, hospitals and other health facilities, physicians and pharmacists and other practitioners).

**“Highest and Best Bid”** is defined in Section 5.02(f).

**“Houston Assets”** means all of the “Transferred Assets” as such term is defined in the Houston Purchase Agreement.

**“Houston Buyer”** means, collectively, the Person (or Persons) that acquires all or a portion of the Houston Facilities and certain related assets and the business conducted by the Houston Sellers at the purchased Houston Facilities, and assumes certain liabilities related thereto, pursuant to the terms of the Houston Purchase Agreement.

**“Houston Facilities”** the emergency sellers operated by certain of the Houston Operating Sellers at the following locations: (i) Baytown, (ii) Bellaire, (iii) Crosby, (iv) Kingwood, (v) Pasadena, (vi) Pearland, (vii) Porter and (viii) Yorktown.

**“Houston IP Seller”** means Neighbors Emergency Center, LLC, a Texas limited liability company.

**“Houston Operating Sellers”** means, collectively, NEC Baytown Emergency Center, LP, a Texas limited partnership, NEC Bellaire Emergency Center, LP, a Texas limited partnership, NEC Crosby Emergency Center, LP, a Texas limited partnership, NEC Kingwood Emergency Center, LP, a Texas limited partnership, NEC Pasadena Emergency Center, LP, a Texas limited partnership, NEC Pearland Emergency Center, LP, a Texas limited partnership, NEC Porter Emergency Center, LP, a Texas limited partnership, and NEC Yorktown Emergency Center, LP, a Texas limited partnership.

**“Houston Purchase Agreement”** means the Asset Purchase Agreement among the Houston Sellers and the Houston Buyer.

**“Houston Real Property Sellers”** means, collectively, NEC Baytown Asset Holdings, LLC, a Texas limited liability company, NEC Kingwood Asset Holdings, LLC, a Texas limited liability company, and NEC Pearland Asset Holdings, LLC, a Texas limited liability company.

**“Houston Shared Services Sellers”** means, collectively, Seller Parent, Global Holdings, Neighbors Health, EDMG and NPM.

**“Houston Sellers”** means, collectively, the Houston Operating Sellers, the Houston Real Property Sellers, the Houston IP Seller and the Houston Shared Services Sellers.

**“Insider”** means, any executive officer, director, governing body member, stockholder, partner or Affiliate, as applicable, of any Seller or any predecessor or Affiliate of any Seller or any individual related by marriage or adoption to any such individual or any entity in which any such Person owns any beneficial interest.

**“Intellectual Property Rights”** means (i) inventions, reduced to practice or made the subject of one or more pending patent applications, (ii) patents and patent applications (including all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof) registered or applied for throughout the world, all improvements to the inventions disclosed in each such registration, patent or patent application, (iii) trademarks, service marks, trade dress, logos, domain names, trade names and corporate names (whether or not registered) in all nations throughout the world and all goodwill associated therewith, (iv) copyrights (whether or not registered) and registrations and applications for registration thereof in all nations throughout the world, (v) proprietary computer software, (including source code, object code, firmware, operating systems and specifications), (vi) trade secrets and know-how (including manufacturing and production processes and techniques and research and development information), (vii) databases and data collections, in each case solely to the extent related to seismic and geological data, (viii) copies and tangible embodiments of any of the foregoing, in whatever form, format or medium, (ix) all rights to obtain and rights to apply for patents, and to register trademarks and copyrights, (x) all rights in all of the foregoing provided by treaties, conventions and common law, and (xi) all rights to sue or recover and retain damages and costs and attorneys’ fees for past, present and future infringement or misappropriation of any of the foregoing.

**“Intercompany Indebtedness”** means all Liabilities owed by any Seller to any other Seller or to any Affiliate of any Seller or by an Affiliate of a Seller to a Seller and which does not arise from Desired 365 Contracts.

**“Interest”** means any right, title, interest, ownership, indicia of title or ownership, right of possession, or other legal, equitable or possessory interest of any kind.

**“Inventory”** means all inventories of supplies, pharmaceuticals, drugs, food, janitorial and office supplies, replacements, spare, component parts, and other disposables and consumables owned by the Operating Sellers located at or within any Facility, and any other goods held for sale or lease or furnished under contracts of service, raw materials, supplies and work in process owned by the Operating Sellers and related to the Acquired Business wherever located, whether or not in transit.

“**Knowledge**” or “**knowledge**,” with respect to a Seller or, collectively, Sellers, means the actual or constructive knowledge of any of the following individuals: the Chief Restructuring Officer, Chief Financial Officer, Chief Business Development Officer, the Chief Nursing Officer, the Executive Medical Director, and General Counsel of Sellers.

“**Leased Real Property**” means, with respect to each Facility, the parcels of real property of which any Operating Seller is the lessee (together with all fixtures and improvements thereon).

“**Liabilities**” means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any kind or nature, whether accrued or not accrued, absolute or contingent, matured or unmatured, liquidated or unliquidated, known or unknown, asserted or not asserted, determined, determinable or otherwise.

“**Licensed Intellectual Property Rights**” means all Intellectual Property Rights owned by a Third Party and licensed or sublicensed to the Sellers.

“**Licenses**” means all federal, state and local government authorizations, certificates of authority, certificates of need, provider agreements and licenses.

“**Lien**” means, with respect to any property or asset, means any claim, interest, lien (statutory or otherwise), hypothecation, encumbrance, security interest, interest, mechanics’ lien, materialman’s lien, statutory lien or right, mortgage, pledge, restriction, charge, instrument, license, preference, priority, security agreement, easement, covenant, encroachment, option, right of recovery, right of pre-emption, right of first refusal or other Third Party right, of any kind or nature (including (i) any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing, (ii) any assignment or deposit arrangement in the nature of a security device, (iii) any claim based on any theory that Buyer is a successor, transferee, or continuation of any Seller or the Acquired Business, and (iv) any leasehold interest, license, or other right, in favor of a Third Party or an Affiliate of any Seller, to use any portion of the Transferred Assets), whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown, including any “lien” as under Bankruptcy Code Section 101(37).

“**Neighbors Health**” is defined in the opening paragraph of this Agreement.

“**Non-Transferable Assets**” is defined in Section 5.03(e).

“**NPM**” is defined in the opening paragraph of this Agreement.

“**Operating Seller**” is defined in the opening paragraph of this Agreement.

“**Order**” means any order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, sentence, subpoena, writ or award issued, made, entered or rendered by any court, administrative agency or other Governmental Authority or by any arbitrator.

“*ordinary course of business*” means the operation of the Acquired Business of the Sellers in the usual and ordinary course as of the Execution Date.

“*Organizational Documents*” means, with respect to any Person, the certificate or articles of incorporation, bylaws, certificate of formation or organization, partnership agreement, limited partnership agreement, operating agreement, limited liability company agreement or any other similar organizational documents of such Person.

“*Owned Intellectual Property Rights*” means all Intellectual Property Rights owned by the Sellers.

“*Owned Real Property*” means the real property located at 4755 Eastex Fwy., Beaumont, TX 77706 and as more particularly described in Schedule 3.18(a) (together with all fixtures and improvements thereon).

“*Owned Real Property Seller*” is defined in the opening paragraph of this Agreement.

“*Party*” or “*Parties*” is defined in the opening paragraph of this Agreement.

“*Patient Privacy Requirements*” means the applicable requirements of the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, as amended by the American Recovery and Reinvestment Act of 2009 and the implementing regulations thereunder governing the privacy of individually identifiable health information and the security of such information maintained in electronic form, or of any similar law of Texas.

“*Permits*” means all material governmental (whether federal, state or local) permits, Licenses, franchises, certificates, approvals or other similar authorizations.

“*Permitted Liens*” means, in the case of Owned Real Property, (a) non-monetary liens incurred in the ordinary course of business that do not detract from the value of any underlying Transferred Asset or interfere in any material respect with the ability of Buyer to own and operate any underlying Transferred Asset in substantially the manner as owned and operated by the Sellers immediately prior to the Execution Date; (b) zoning, building or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title that do not adversely affect the value of, or the current occupancy or use of the Seller Real Property in any material respect, and (c) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures that do not materially impair or detract from the value of the Seller Real Property or interfere with the ability of the Buyer to own and operate any Transferred Asset.

“*Person*” means any person, entity or Governmental Authority of any nature whatsoever, specifically including an individual, firm, company, corporation, partnership, trust, joint venture, association, joint stock company, limited liability company, estate, unincorporated organization or other entity or organization.

“*Petition Date*” means July 12, 2018, being the date on which the Sellers (other than the Beaumont Sellers) filed the Bankruptcy Cases with the Bankruptcy Court.

“**Proceeding**” means any action, claim, demand, audit, hearing, complaint, investigation, litigation, or suit commenced, brought, conducted, or heard by or before any Governmental Authority.

“**PTO Obligations**” means the Liabilities of the Sellers for the accrued vacation, sick, holiday and other paid time off and related Taxes and other payroll obligations of the Transferred Employees outstanding as of the Closing Date.

“**Purchase Price**” is defined in Section 2.06(a).

“**Purchase Price Allocation**” is defined in Section 2.09.

“**Qualified Bid Deadline**” is defined in Section 5.02(e).

“**Real Property Lease**” means all right, title, and interest of any Operating Seller in all leases, subleases, licenses, concessions, and other agreements (written or oral) and all amendments, modifications, extensions, renewals, guaranties, and other agreements with respect thereto, including the right to all security deposits and other amounts and instruments deposited by or on behalf of an Operating Seller thereunder, pursuant to which an Operating Seller holds a leasehold or sub-leasehold estate in, or is granted the right to use or occupy, a Leased Real Property.

“**Representatives**” means, with respect to any Person, the officers, directors, employees, members, managers, partners, investment bankers, attorneys, accountants, consultants or other advisors, agents or representatives of such Person, when acting in such capacity on behalf of such Person.

“**Rejected Leased Real Properties**” is defined in Section 2.01(c).

“**Retained Assets**” is defined in Section 2.02.

“**Retained Liabilities**” is defined in Section 2.04.

“**Retained Seller Mark**” means the trademark owned by the IP Seller and registered with the United States Patent and Trademark Office on July 11, 2017 under Registration No. 5239995, as amended.

“**Sale Hearing Deadline**” is defined in Section 5.02(g).

“**Sale Order**” means an order of the Bankruptcy Court, substantially in the form of Exhibit D attached hereto, that approves, *inter alia*, the sale of the Transferred Assets to Buyer.

“**Sale Order Deadline**” is defined in Section 5.02(h).

“**Seller**” or “**Sellers**” is defined in the opening paragraph of this Agreement.

“***Seller Marks***” means the name “Neighbors” and all variations thereof and all related trademarks, service marks, trade dress, logos, domain names, trade names and corporate names, but excludes the Retained Seller Mark.

“***Seller Parent***” is defined in the opening paragraph of this Agreement.

“***Seller Real Property***” means, collectively, the Leased Real Property and the Owned Real Property.

“***Sellers Material Adverse Effect***” means, any event, change, condition or matter that, individually or in the aggregate is or could reasonably be expected to result in a material adverse change or material adverse effect on (i) the condition (financial or otherwise), business, properties, assets, or results of operations of the Acquired Business, (ii) the ability of the Sellers or the Debtors, as applicable, to conduct the Acquired Business consistent with recent history, or (iii) the ability of the Sellers or the Debtors, as applicable, to perform their obligations under the Transaction Documents in material compliance with the requirements thereof or to consummate the Transactions; *provided, however*, that to the extent any such material adverse effect results from any of the following matters, such effect shall be disregarded and shall not be taken into account in determining whether a material adverse effect has occurred under this definition: (A) changes in financial, credit or securities markets generally, including any changes in prevailing interest rates, in each case, which do not disproportionately affect a Seller relative to other industry participants, (B) changes in general economic or political conditions in the United States or regionally, in each case, which do not disproportionately affect a Seller relative to other industry participants, (C) the announcement, pendency or consummation of the sale of the Transferred Assets, (D) the consequences of filing the Bankruptcy Cases and the impact thereof on the condition (financial or otherwise), business, properties, assets, or results of operations of the Acquired Business, (E) actions taken or omissions made after the date of this Agreement with the express written consent of Buyer, (F) changes resulting from general industry-wide conditions that do not disproportionately affect the Sellers relative to other industry participants, (G) acts of war, sabotage or terrorism or any military action, or threats thereof, or any escalation or worsening of any such acts of war, sabotage, terrorism or military actions threatened or underway as of the Execution Date, in each case, which do not disproportionately affect a Seller relative to other industry participants, (H) any natural or man-made disaster or acts of God, in each case, which do not disproportionately affect a Seller relative to other industry participants, and (I) changes in Applicable Law or accounting rules, including GAAP.

“***Sellers’ Transferred Employee List***” is defined in Section 3.19(a).

“***Specifically Assumed Liabilities***” is defined in Section 2.03.

“***Subject Equipment Leases***” means the equipment leases between one or more Sellers and DataVox, Everbank and its assignees, BBVA, Wells Fargo and Siemens.

“***Subject Locations***” means the following Facilities: (i) Midland, (ii) Eastside, (iii) Port Arthur, (iv) Odessa, (v) Harlingen, (vi) Amarillo, (vii) Brownsville, (viii) McAllen, (ix) Texarkana, (x) Lubbock and (xi) Paris.

“**Subsidiary**” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at any time directly or indirectly owned by such Person.

“**T-System Contract**” means the Site Opt-In Agreement dated July 22, 2015, between T-System, Inc. and Neighbors Health.

“**Tax**” means and, with correlative meaning, “**Taxes**” mean with respect to any Person (i) all federal, state, local, county, foreign and other taxes, assessments, or other government fees, charges, including any income, alternative or add-on minimum tax, estimated, gross income, gross receipts, sales, use, *ad valorem*, value added, transfer, capital stock, franchise, profits, license, registration, recording, documentary, escheat or unclaimed property, intangibles, conveyancing, gains, employee or other withholding, payroll, employment, social security (or similar), unemployment, disability, excise, severance, stamp, occupation, premium, property (real or personal), environmental or windfall profit tax, customs, duty or other tax, governmental fee or other like assessment, charge or tax of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority (domestic or foreign) responsible for the imposition of any such tax, whether such Tax is disputed or not, (ii) Liability for the payment of any amounts of the type described in clause (i) above relating to any other Person as a result of being party to any agreement to indemnify such other Person, being a successor or transferee of such other Person, or being a member of the same affiliated, consolidated, combined, unitary or other group with such other Person, or (iii) Liability for the payment of any amounts of the type described in clause (i) arising as a result of being (or ceasing to be) a member of any Affiliated Group (or being included (or required to be included) in any Tax Return relating thereto) or as a result of any existing express or implied agreement or arrangement (including any indemnification agreement or arrangement).

“**Tax Asset**” means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other credit or tax attribute that could be carried forward or back to reduce Taxes (including deductions and credits related to alternative minimum Taxes).

“**Tax Refund**” means any refund, credit, or offset of Taxes attributable to the assets, operations or Acquired Business of the Sellers for periods prior to the Closing Date.

“**Tax Return**” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Third Party**” means any Person other than a Party or its Affiliates.

“**threatened**” means a Proceeding, dispute or other matter shall be deemed to have been “threatened” if any demand or statement shall have been made in writing or any notice shall have been given in writing.

“**Trade Name License Agreement**” means a definitive Trade Name License Agreement pursuant to which, (i) prior to the closing of the Houston Purchase Agreement, Houston IP Seller, and (ii) at and after the closing of the Houston Purchase Agreement, Houston Buyer or

one of its Affiliates, grants Buyer a royalty-free license and privilege to use the Seller Marks, for transitional purposes and for all purposes in operating the Acquired Business, until the date that is 120 days following the Closing.

**“Transaction Documents”** means this Agreement, the Bill of Sale, the Trade Name License Agreement, the Transition Services Agreements and any other agreement between or among Buyer and the Sellers that expressly states that it constitutes a Transaction Document for purposes of this Agreement, and all other agreements, documents, and instruments entered into by Buyer, on the one hand, and any of the Sellers, on the other hand, as of or after the Execution Date and at or prior to Closing in connection with the Transactions (as each such document, agreement and instrument may be amended, supplemented or modified). Each Transaction Document must be acceptable to the Buyer in its reasonable discretion.

**“Transaction Taxes”** is defined in Section 2.10.

**“Transactions”** means the transactions contemplated by this Agreement and the other Transaction Documents.

**“Transferred Assets”** is defined in Section 2.01(a).

**“Transferred Employees”** is defined in Section 6.02(a).

**“Transition Services Agreement (Houston)”** means a definitive Transition Services Agreement, pursuant to which, (i) if the Houston Purchase Agreement closes prior to the Closing, then prior to the Closing, NPM, and at and after Closing, Buyer or one of its Affiliates, shall provide certain transition services to Houston Buyer, or (ii) if the Houston Purchase Agreement closes on or after the Closing, Buyer or one of its Affiliates shall provide certain transition services to the bankruptcy estate of the Debtors and, following the Closing, Houston Buyer, which definitive Transition Services Agreement (Houston) shall cover the services listed on Exhibit E attached hereto.

**“Transition Services Agreement (Debtor Estate)”** means a definitive Transition Services Agreement, pursuant to which, at and after Closing, Buyer or one of its Affiliates, shall provide certain transition services to the bankruptcy estate of the Debtors and to Neighbors Physician Group, PLLC following the Closing, including revenue-cycle management with respect to the Accounts Receivable of Neighbors Physician Group, PLLC arising prior to the Closing.

**“Transition Services Agreements”** means, collectively, the Transition Services Agreement (Houston) and the Transition Services Agreement (Debtor Estate).

**“WARN Act”** means the Workers Adjustment & Retraining Notification Act or any similar State law.

**“Winning Bidder”** has the meaning given to such term in the Bidding Procedures Order.

**“Withholding Taxes”** means all applicable federal, state or local income Taxes and applicable employment (social security, unemployment insurance and Medicare) and other withholding obligations, in each case withheld from Employees Seller prior to Closing.

**Section 1.02 Accounting Terms; Utilization of GAAP for Purposes of Calculations Under Agreement.** Except as otherwise expressly provided in this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Calculations in connection with the definitions, covenants and other provisions of this Agreement shall utilize GAAP, except as otherwise expressly set forth herein.

**Section 1.03 Other Definitional and Interpretative Provisions.** The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The headings and captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein and defined herein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. Except for agreements, documents and notices required to be delivered after the Execution Date pursuant to this Agreement, the phrases “Sellers have delivered,” “Sellers have provided,” “Sellers have made available” and phrases of similar import shall mean that, prior to the date hereof, Sellers have delivered to Buyer a hard or electronic copy of the document or information in question or have made such document available on the virtual data site relating to the Transactions no later than 3 Business Days prior to Execution Date. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law. The word “or” will have the inclusive meaning represented by the phrase “and/or.” The phrase “and/or” when used in a conjunctive phrase, shall mean any one or more of the Persons specified in or the existence or occurrence of any one or more of the events, conditions or circumstances set forth in that phrase; *provided, however*, that when used to describe the obligation of one or more Persons to do any act, it shall mean that the obligation is the obligation of each of the Persons but that it may be satisfied by performance by any one or more of them. “Shall” and “will” have equal force and effect. The Parties and their counsel have reviewed the provisions of this Agreement and have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. All references to immediately available funds or dollar amounts contained in this Agreement shall mean United States dollars. All references in this Agreement to the “Seller” or the “Sellers” shall be deemed to refer to the “Debtor” or the “Debtors,” respectively, to the extent necessary in order to give effect to the intent of the Parties expressed in Section 2.07. **THE PARTIES AGREE THAT THE BOLD AND/OR CAPITALIZED LETTERS IN THIS AGREEMENT CONSTITUTE CONSPICUOUS LEGENDS.**

## ARTICLE 2 PURCHASE AND SALE

### Section 2.01 Purchase and Sale of Assets.

(a) Subject to, and on the terms and conditions of this Agreement, effective at the Effective Time, Buyer shall purchase, acquire, and accept from the Sellers, and the Sellers shall sell, convey, transfer, assign, and deliver to Buyer free and clear of any and all Liens, Claims, and Interests of any kind or nature whatsoever, whether arising prior to, on or subsequent to the Petition Date, (other than Permitted Liens and Specifically Assumed Liabilities), all rights, title, and interest of every kind and nature of Sellers (including indirect and other forms of ownership), in and to all of the assets, properties, rights and interests set forth below solely to the extent related to the Acquired Business (the “*Transferred Assets*”):

(i) to the extent legally assignable, the Desired 365 Contracts and all of the Sellers’ interest under the Desired 365 Contracts;

(ii) except as and to the extent relating to any Retained Assets or Retained Liabilities and excluding all Avoidance Actions;

(A) any insurance proceeds payable pursuant to claims made under insurance Contracts (other than with respect to directors and officers liability insurance) and with respect to matters arising prior to the Effective Time solely to the extent that, as of the Effective Time, such proceeds have not been paid to repair or replace damaged or destroyed property that constitutes Transferred Assets;

(B) causes of action, rights of recovery, rights of setoff, and rights of recoupment in favor of the Sellers; and

(C) all rights in and under all express or implied guarantees, warranties (including manufacturers’ warranties), representations, covenants, indemnities and similar rights in favor of the Sellers;

(iii) all equipment (including medical equipment and instruments), furniture, furnishings, computer hardware, communication equipment, supplies, fixtures, leasehold interests, materials, Inventory and other tangible personal property of any kind or type that is owned by the Operating Sellers, used in the Acquired Business or located at or within any Facility;

(iv) all motor vehicles, including the 30 motor vehicles and 2 trailers listed in Schedule 2.01(a)(iv);

(v) (A) the furniture and medical equipment stored on the second floor of the Headquarters and listed in Schedule 2.01(a)(v) and (B) the furniture, fixtures and equipment located at the Desired Headquarters Space;

(vi) all Licensed Intellectual Property Rights, to the extent transferable under the terms thereof or Applicable Law, including the Bankruptcy Code;

(vii) all Owned Intellectual Property Rights and the goodwill associated therewith, excluding the Seller Marks and the Retained Mark and any Owned Intellectual Property Rights that embed or incorporate the Seller Marks and the Retained Mark;

(viii) all bank accounts, safety-deposit boxes and lock boxes;

(ix) all books and records of the Sellers, wherever located, solely to the extent relating to the Transferred Assets, including the following: sales and service records, books of account, invoices, inventory records, accounting records, Tax Returns with respect to the Transferred Assets, environmental records and studies, maintenance records, cost and pricing information, supplier lists, business plans, catalogues, quality control records and manuals, blueprints, research and development files, patent and trademark files; *provided, however*, that the Sellers shall retain a right, and to the extent any of the Transferred Assets include books and records related to the Houston Assets, Houston Buyer and its Representatives shall have the right, for a period of 2 years after the Closing upon reasonable notice to have reasonable access to and copying of (including through their Representatives who execute and deliver to Buyer a confidentiality agreement in form and substance acceptable to Buyer) the provisions within such materials related to Retained Assets or Retained Liabilities, the Sellers' rights under the Transaction Documents or that are reasonably required with respect to any audit, investigation or inquiry of any Governmental Authority including taxing authorities with respect to periods prior to the Closing, so long as such access does not unreasonably interfere with the business operations of Buyer and shall be subject to any requirements or limitations imposed by the Patient Privacy Requirements; *provided further, however*, that subject to the filing of the Bankruptcy Cases, the Sellers, any Person authorized to act on behalf of the Sellers or their bankruptcy estates, and any Person to whom Retained Assets are transferred or assigned pursuant to the Bankruptcy Code or the Bankruptcy Rules (including without limitation a trustee, creditors' committee, or liquidating trust (collectively, an "**Authorized Person**")), shall have the right to access and copy any and all books and records of the Sellers as such Authorized Person, in its discretion, deems necessary to enable such Authorized Person to take any and all actions in connection with the Retained Assets as such Authorized Person is entitled and/or required to take under the Bankruptcy Code or the Bankruptcy Rules, including without limitation analyzing, evaluating, litigating, and compromising the Avoidance Actions, in each case so long as such access does not unreasonably interfere with the business operations of Buyer and shall be subject to any requirements or limitations imposed by the Patient Privacy Requirements;

(x) to the extent legally assignable, all Licenses and Permits, relating to the ownership or operation of the Transferred Assets;

(xi) all prepaid claims, prepaid expense items and deferred charges, credits, advance payments, security, rebates, sums and fees, and other deposits (other than for Taxes, insurance and utilities) made by the Sellers to any other Person relating to the

Transferred Assets, in each case other than to the extent exclusively relating to the Retained Liabilities or Retained Assets;

(xii) fee simple title to the Owned Real Property and all rights in respect of all Leased Real Property (including the Real Property Leases associated therewith), subject to Section 2.01(c);

(xiii) all goodwill associated with any Transferred Assets;

(xiv) all Cash Deposits;

(xv) all third-party indemnities related to the Transferred Assets where any Seller is an indemnified party and the proceeds afforded thereby, in each case other than to the extent exclusively relating to the Retained Liabilities or Retained Assets;

(xvi) all claims, rights, defenses, offsets, recoupments, causes of action, credits, immunities or rights of set-off against Buyer, any Affiliates of Buyer and/or Third Parties arising prior to the Effective Time; and

(xvii) all claims, rights, defenses, offsets, recoupments, causes of action, credits, immunities or rights of set-off against Transferred Employees, including rights under employment agreements, confidentiality agreements, and non-competition agreements.

(b) Except for Specifically Assumed Liabilities, all Transferred Assets shall, subject to the filing of the Bankruptcy Cases, be conveyed free and clear of all Liens (other than Permitted Liens), Claims, and Interests to the maximum extent allowed by Section 363(f) of the Bankruptcy Code. Subject to the filing of the Bankruptcy Cases, prior to the hearing to approve the Sale Order, Buyer may elect to designate any Transferred Asset as a Retained Asset by written notice to the Seller.

(c) At any time prior to the date that is seven (7) days prior to the Qualified Bid Deadline, Buyer may provide written notice to Sellers that Buyer has elected to (i) remove from the Transferred Assets up to three (3) Leased Real Properties (including the associated Real Property Leases) attributable to Subject Locations (the "*Rejected Leased Real Properties*") and (ii) designate such Rejected Leased Real Properties as Retained Assets. In the event that Buyer exercises its right under this Section 2.01(c), (i) all of the assets, properties, rights and interests of Sellers attributable to each Rejected Leased Real Property (including, for the avoidance of doubt, Accounts Receivable of the applicable Operating Seller generated from such Subject Location and the furniture, fixtures and equipment residing thereon) shall remain Transferred Assets, (ii) there shall be no change in the Purchase Price as a result of the designation of such Rejected Leased Real Properties as Retained Assets, and (iii) and Sellers shall be responsible for the closing costs attributable to shutting-down the operations at such Rejected Leased Real Properties.

**Section 2.02 Retained Assets.** Notwithstanding the foregoing, Buyer shall not acquire, and the Sellers shall retain, the following assets of Sellers (the "*Retained Assets*"):

- (a) all Accounts Receivable and all claims, including deposits, advances, prepaid and other current assets, rights under warranties and guaranties, rights in respect of promotional allowances, vendor rebates and to other refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature (whether known or unknown or contingent or non-contingent), the right to receive and retain mail, Accounts Receivable payments and other communications of Sellers, and the right to bill and receive payments and other communications of Sellers; and the right to bill and receive payment for products shipped or delivered and services performed but unbilled or unpaid as of the Closing;
- (b) (i) all cash and cash equivalents (excluding Cash Deposits), and (ii) all deposits for utilities;
- (c) the Houston Assets and all of the Sellers' rights under the Houston Purchase Agreement and the Transaction Documents (as such term is defined in the Houston Purchase Agreement);
- (d) the Excluded Contracts, including the leases listed on Schedule 2.02(d);
- (e) the assets of the Corporate and Shared Services Sellers, including the accounts receivable thereof, to the extent such assets relate solely to the emergency center facilities listed in Schedule 2.02(e) (the "**Excluded Facilities**");
- (f) the equity ownership of any Seller's Subsidiary, including the business of any such Subsidiary that is not a Seller;
- (g) all Intercompany Indebtedness;
- (h) all insurance Contracts (including with respect to directors and officers liability insurance) and all rights, claims and proceeds payable thereunder, including deposits, rights to discounts, credits and refunds arising from such insurance Contracts, except to the extent constituting Transferred Assets pursuant to Section 2.01(a)(iii)(A);
- (i) all claims, rights, defenses, offsets, recoupments, causes of action, credits, immunities or rights of set-off of the Sellers against Third Parties arising prior to the Effective Time with respect to the Retained Liabilities or the Retained Assets;
- (j) the Organizational Documents of the Sellers and their respective, minute books, stock and ownership records and corporate seals and all other documents and records relating to the organization, maintenance, existence and federal income taxation of the Sellers or their partners;
- (k) all Tax Assets, Tax deposits (including funds held by the Sellers in respect of Withholding Taxes or estimated income taxes) and Tax Refunds;
- (l) all business and financial records, books, ledgers, files, plans, documents, correspondence, lists, and reports that relate solely to Retained Assets or Retained Liabilities;

- (m) subject to the filing of the Bankruptcy Cases, all rights, claims, causes of action and recoveries of Debtors under Sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552(b), 553 or 724 of the Bankruptcy Code (collectively, “*Avoidance Actions*”) other than Avoidance Actions against the Buyer and all proceeds thereof;
- (n) all ERISA Plans and assets maintained pursuant or in connection therewith;
- (o) all professional retainers incurred in connection with the Bankruptcy Cases;
- (p) the Seller Marks and the Retained Seller Mark and any Owned Intellectual Property Rights that embed or incorporate the Seller Marks and the Retained Seller Mark;
- (q) subject to the filing of the Bankruptcy Cases, any executory Contracts (“*Excluded Contracts*”) that are not Desired 365 Contracts;
- (r) all furniture, fixtures and equipment stored or maintained at the Headquarters other than as specified in Section 2.01(a);
- (s) all Leased Real Properties (including the Real Property Leases associated therewith) that are designated as Rejected Leased Real Properties;
- (t) the T-System Contract; and
- (u) all of the Sellers’ rights under the Transaction Documents, including the right to receive the Purchase Price.

**Section 2.03 Assumption of Liabilities.** Except as specifically set forth in this Section 2.03, Buyer shall not assume, in connection with the Transactions or otherwise, any Liability or obligation of Sellers whatsoever, and Sellers shall retain responsibility for all Liabilities and obligations accrued as of, on, or after the Effective Time, whether or not accrued and whether or not disclosed. As the sole exception to the preceding sentence, subject to the terms and conditions set forth herein, Buyer shall assume as of the Effective Time only the following Liabilities (collectively, the “*Specifically Assumed Liabilities*”), and no others:

- (a) all Liabilities arising and incurred after the Effective Time under the Desired 365 Contracts assigned to and assumed by Buyer pursuant to this Agreement, but only to the extent that such obligations are not supposed to be performed prior to the Effective Time (and expressly excluding any obligation arising out of or relating to a breach that occurred prior to the Effective Time or for amounts owing by the Sellers prior to the Effective Time); and
- (b) all Liabilities incurred in providing COBRA-continuation coverage under Buyer’s group health plan as set forth in Section 6.02(c).

Sellers hereby acknowledge and agree that Buyer shall not be the successor to any Seller, and Sellers acknowledge and agree that pursuant to the terms and provisions of this Agreement, except for the Specifically Assumed Liabilities, Buyer will not assume, nor in any way be liable

or responsible for, any claim or Liability of any Seller or any Affiliate of a Seller (including Liabilities relating to the pre-petition or post-petition operation of the Acquired Business, the Retained Assets or to the Transferred Assets (and the use thereof)), whether relating to or arising out of the Acquired Business, the Retained Assets, the Transferred Assets or otherwise, including any Liability of a Seller or any predecessor or Affiliate of a Seller whatsoever.

The Sellers further acknowledge and agree that disclosure of any Liability on any Schedule to this Agreement or otherwise shall not create a Specifically Assumed Liability or other Liability of Buyer, except where such disclosed obligation has been expressly assumed by Buyer as a Specifically Assumed Liability. The Transactions shall in no way expand the rights and remedies of any Third Party against the Buyer or the Sellers as compared to the rights and remedies that such Third Party would have had against the Buyer or the Sellers absent the Bankruptcy Cases or Buyer's assumption of the Specifically Assumed Liabilities. Other than the Specifically Assumed Liabilities, Buyer is not assuming and shall not be liable for any Liabilities of the Sellers or any of their Affiliates. This Section 2.03 shall not limit in any way any claims or defenses Buyer may have against any Person other than the Sellers.

**Section 2.04 Retained Liabilities.** Except for the Specifically Assumed Liabilities, Buyer is not assuming, shall not assume, and shall not be responsible for, and the Sellers expressly retain, any claims against, Liabilities or obligations whatsoever of, the Acquired Business or any Seller (the "***Retained Liabilities***"), including the following: (a) all Liabilities of the Sellers related to the Retained Assets, whether such Liabilities arise before or after the Effective Time; (b) any indebtedness, accounts payable or accrued expenses of any Seller or the Acquired Business; (c) all of the costs and expenses of the Sellers incurred in connection with the Bankruptcy Cases; (d) all of the costs and expenses of the Sellers incurred in connection with negotiating, entering into and carrying out its obligations pursuant to this Agreement or any other Transaction Document; (e) any known or unknown Liability of any Seller; (f) any Liability to refund any payment or reimbursement received by a Seller from any Third Party payor; (g) any Liability related to the Health Insurance Portability and Accountability Act of 1996; (h) any Liability relating to fraud or the federal statutes relating to health care fraud and abuse and kickbacks (including 42 U.S.C. § 1320a-7b, 42 U.S.C. § 1320a-7a, the Ethics in Patient Referrals Act, as amended, 42 U.S.C. §§ 1395nn et seq., and the federal Civil False Claims Act, 31 U.S.C. § 3729 et seq.) or related or similar statutes or the regulations promulgated pursuant to any of such statutes, and any similar applicable state laws or regulations pertaining to fraud, kickbacks, or fee splitting; (i) the responsibility for any contributions to or funding of any benefits plan, program, agreement, practice or arrangement (whether written or oral) maintained by any Seller or pursuant to which any Seller has any contribution or funding obligation for its employees, former employees, retirees, agents, independent contractors, their beneficiaries or any other Person; (j) any Liability arising from, or with respect to, any ERISA Plan or any similar arrangement currently or previously mentioned, or contributed to, by any Seller; (k) any Liability of any Seller for any Tax of any kind or nature, including (i) any Tax which may become payable by reason of the sale and transfer of the Transferred Assets, or be imposed upon any Seller or its Affiliates by reason of receipt of the Purchase Price or relief from any Liability pursuant to or in connection with this Agreement, (ii) any Tax generated from activities of the Business on or before the Effective Time, including the Transactions, or (iii) any other Tax of any of the Sellers or any of their Affiliates under any common law doctrine of de facto merger or transferee or successor liability or otherwise by operation of Contract or Legal Requirement; (l)

any Liability of Sellers for any noncompliance with any Applicable Laws, including those relating to employment and labor management relations (including noncompliance under the WARN Act) and any provisions thereof relating to wages and the payment thereof, hours of work, terms of employment, collective bargaining agreements, and workers' compensation laws, arising from the Acquired Business prior to the Effective Time or otherwise arising prior to the Effective Time; (m) any Liability to distribute to any equity holder of any Seller or otherwise apply all or any part of the consideration received hereunder; (n) any and all Liabilities arising under any Healthcare Law or any other Liability in connection with, arising from or relating to the ownership, management or operation of any Seller, the Transferred Assets or the Acquired Business, or any condition in existence with respect to any Seller, the Transferred Assets or the Acquired Business, existing on or prior to the Effective Time, or any products or services sold by any Seller; (o) any Liability of any Seller for any failure to withhold all amounts required by any Applicable Law or Contract to be withheld from the wages or salaries of its employees, and any Liability for any wage arrearages, taxes or penalties for failure to comply with any of the foregoing arising prior to the Effective Time or otherwise arising from the Transferred Assets or the operation of the Acquired Business prior to the Effective Time; (p) other than as specified in Section 2.03(c) above, any Liability to employees of any Seller, including all PTO Obligations, any severance or retention obligations, and any bonus obligations arising prior to or on the Effective Time or otherwise arising from the Transferred Assets or the operation of the Acquired Business prior to the Effective Time; (q) any Liability arising out of any controversies between any Seller and its employees or former employees or any union or other collective bargaining unit representing any of its employees arising prior to the Effective Time or otherwise arising from the Transferred Assets or the operation of the Acquired Business prior to the Effective Time; and (r) all other Liabilities of the Sellers whatsoever associated with the Transferred Assets, the Acquired Business or with any other properties, rights, contracts, or other assets of the Sellers, whether presently in existence or arising hereafter, known or unknown, disputed or undisputed, contingent or non-contingent, liquidated or unliquidated, or otherwise.

### **Section 2.05 Good-Faith Deposit; Escrow.**

(a) Provided this Agreement has not been terminated pursuant to Section 9.01(a) or Section 9.01(d), not later than two (2) Business Days after the Execution Date, Buyer shall deposit with the Escrow Agent as a good-faith deposit (the “*Deposit*”) an amount equal to ten percent (10%) of the Cash Purchase Price (or \$500,000.00). The Escrow Agent shall hold the Deposit in an interest-bearing bank account. The Sellers acknowledge and agree that the Deposit shall not be an asset of the Debtors' bankruptcy estates that are created upon the filing of the Bankruptcy Cases. Upon the Closing in accordance with the terms of this Agreement and the Transaction Documents, the Deposit (together with all interest earned thereon) will be applied against the Purchase Price in the manner provided in Section 2.06(b).

(b) If this Agreement is terminated pursuant to Section 9.01, the Seller Parent and the Buyer shall direct the Escrow Agent to return the Deposit (together with all interest earned thereon) to Buyer or to disburse the Deposit (together with all interest earned thereon) to the Sellers as a non-completion fee in accordance with Section 9.02(b).

(c) The Escrow Agent shall comply with the provisions of this Agreement and shall not disburse the Deposit (or any interest earned thereon) except in accordance with Section

2.05(a) or Section 2.06(b). In no event shall the Escrow Agent be liable, directly or indirectly, for any damages, losses expenses arising out of its compliance with this Section 2.05 and Section 2.06(b) below, other than damages, losses or expenses which result from the Escrow Agent's fraud, gross negligence or willful misconduct.

### **Section 2.06 Purchase Price.**

(a) The aggregate consideration for the sale, assignment, transfer, conveyance, and delivery of the Transferred Assets to Buyer at the Effective Time (the "**Purchase Price**") shall consist of: (i) the assumption of the Specifically Assumed Liabilities as provided above, and (ii) cash in the amount of \$5,000,000.00 (the "**Cash Purchase Price**"), payable as provided in Section 2.06(b) and Section 2.07.

(b) At the Closing, Buyer will pay or cause to be paid by wire transfer of immediately available funds to the Escrow Agent (to be disbursed by the Escrow Agent to the Sellers), an amount equal to (i) the Cash Purchase Price *minus* (ii) the Deposit (together with all interest thereon), which shall be disbursed by the Escrow Agent to the Sellers.

**Section 2.07 Filing of Bankruptcy Cases.** The Sellers (other than the Beaumont Sellers) have previously filed, and the Beaumont Sellers shall file, the Bankruptcy Cases with the Bankruptcy Court, and the Transferred Assets shall be conveyed by the Debtors free and clear of all Liens, Claims, and Interests, other than Permitted Liens. Accordingly, subject to the filing of the Bankruptcy Cases, the Sellers obligation to consummate the transactions set forth in this Agreement (including the sale, conveyance, transfer, assignment and delivery to Buyer of the Transferred Assets) on the Closing Date will be subject to the entry of a Bidding Procedures Order and a Sale Order, each of which shall be a Final Order. Further, for purposes of clarification, with respect to the representations made by the Debtors on the Closing Date in Article 3, all references to "Seller" or the "Sellers" shall be deemed to refer to the "Debtor" or the "Debtors," respectively.

### **Section 2.08 Closing; Closing Deliveries.**

(a) The closing of the Transactions (the "**Closing**") shall take place at the offices of the Escrow Agent, 1900 West Loop South, Suite 200, Houston, Texas 77027 commencing at 10:00 a.m. on the date that is three (3) Business Days following the satisfaction or written waiver of the conditions of Closing set forth in Article 8 hereof (other than those conditions which by their terms are not to be satisfied until the Closing, but subject to the waiver or fulfillment of those conditions), or such other date or location as the Parties may mutually determine. The Closing and all documentation delivered at Closing shall be effective as of the Effective Time.

(b) At the Closing, unless waived by the Sellers, Buyer shall deliver, or execute and deliver, as applicable, to the Escrow Agent (on behalf of the Sellers):

- (i) the Bill of Sale, duly executed by Buyer;
- (ii) the Cash Purchase Price in the manner provided in Section 2.06(b);

- (iii) an assignment and assumption of lease, in form and substance acceptable to Buyer, with respect to each Real Property Lease (other than Rejected Leased Real Properties) (the "*Lease Assignments*"), duly executed by Buyer, unless the assignment of the Real Property Leases is satisfied by the entry of the Sale Order;
- (iv) the Trade Name License Agreement, duly executed by Buyer or its Affiliate;
- (v) the Transition Services Agreement (Houston), duly executed by Buyer or its Affiliate; *provided*, that if the transactions contemplated by the Houston Purchase Agreement have closed or are scheduled to close prior to the Closing, Buyer shall deliver to Sellers an assignment and assumption agreement pursuant to which Buyer or its Affiliate assumes all of the obligations of NPM under the Transition Services Agreement (Houston) to which NPM is a party; provided that such obligations are only the obligations of NPM arising and incurred after the assignment and, provided further, only to the extent that such obligations are not supposed to be performed prior to the assignment (and expressly excluding any obligation arising out of or relating to a breach that occurred prior to the assignment);
- (vi) the Transition Services Agreement (Debtor Estate), duly executed by Buyer or its Affiliate;
- (vii) the certificate required to be delivered by Buyer under Section 8.03(c), duly executed by Buyer; and
- (viii) all other documents, certificates, instruments or writings reasonably requested by Buyer in connection herewith.

(c) At the Closing, unless waived by Buyer, the Sellers shall deliver or cause to be delivered, or execute and deliver, as applicable, (y) to the Buyer the items specified in clause (i) below, and (z) with respect to all of the other items below in this clause (c), to the Escrow Agent (on behalf of the Buyer):

- (i) physical possession of all of the Transferred Assets capable of passing by delivery with the intent that title in such Transferred Assets shall pass by and upon delivery;
- (ii) the Bill of Sale, duly executed by the Sellers;
- (iii) the Lease Assignments, each duly executed by the applicable lessor and lessee, unless the assignment of the Real Property Leases is satisfied by the entry of the Sale Order;
- (iv) the Trade Name License Agreement duly executed by Houston IP Seller; *provided*, that if the transactions contemplated by the Houston Purchase Agreement have closed or are scheduled to close prior to the Closing, Sellers shall deliver to Buyer an assignment and assumption agreement

pursuant to which Houston Buyer or its Affiliate assumes all of the obligations of Houston IP Seller under the Trade Name License Agreement;

- (v) the Transition Services Agreement (Houston) duly executed by Houston Buyer or its Affiliate and, if applicable, NPM;
- (vi) the Transition Services Agreement (Debtor Estate), duly executed by the applicable Debtors and Neighbors Physician Group, PLLC;
- (vii) a lease agreement between the Headquarters Lease Landlord and Buyer, on terms reasonably acceptable to Buyer, providing for Buyer's lease of up to 10,000 square feet of office space on the third floor of the Headquarters (the "*Desired Headquarters Space*"), duly executed by the Headquarters Lease Landlord; *provided, however*, in the event Buyer notifies Sellers pursuant to Section 5.04(c) that it does not intend to enter into a lease agreement for the Desired Headquarters Space, Sellers shall provide Buyer access to and use of the Desired Headquarters Space, rent-free and for transitional purposes and for all purposes in operating the Acquired Business, for a period of up to six weeks (6) following the Closing Date;
- (viii) a Special Warranty Deed, in form and substance acceptable to Buyer, executed by the Owned Real Property Seller and conveying the Owned Real Property to Buyer, unless the transfer of the Owned Real Property is satisfied by the entry of the Sale Order;
- (ix) the certificate required to be delivered by the Sellers under Section 8.02(c), duly executed by the Sellers;
- (x) Intellectual Property assignments, in form and substance acceptable to Buyer, duly executed by the applicable Seller(s);
- (xi) certificates of title and, unless the transfer of the motor vehicle titles are satisfied by the entry of the Sale Order, title transfer documents to all titled owned motor vehicles that constitute Transferred Assets, in form and substance acceptable to Buyer;
- (xii) affidavits meeting the requirements of Treasury Regulation § 1.1445-2(b)(2), duly executed by the Sellers;
- (xiii) a certified copy of the Sale Order, which order has not been reversed or modified on appeal or, if any such appeal is pending, such order shall not have been stayed;
- (xiv) a properly completed Texas Comptroller of Public Accounts Form 01-917, Statement of Occasional Sale, in the aggregate covering the conveyances of the Transferred Assets by Sellers to Buyer hereunder;

- (xv) written evidence satisfactory to the Buyer of all consents required to be obtained from third parties in connection with the Transactions; and
- (xvi) all other documents, certificates, instruments or writings reasonably requested by Buyer in connection herewith.

**Section 2.09 Allocation of Purchase Price.** The Sellers and Buyer agree that the Transactions will be treated as an asset acquisition for tax purposes. Within thirty (30) calendar days after the Closing Date, Buyer shall prepare and provide a proposed allocation of the Purchase Price among the Transferred Assets (the “**Purchase Price Allocation**”) to the Sellers. Such proposed Purchase Price Allocation shall be in accordance with Section 1060 of the Code and final and binding on the Parties unless, within thirty (30) calendar days after Buyer provides such proposed Purchase Price Allocation, the Sellers notify Buyer of their disagreement with any item in such proposed allocation. In the event of such notification, the Sellers and Buyer shall negotiate in good faith to resolve such dispute; *provided, however*, that if the Sellers and Buyer cannot resolve such dispute within thirty (30) calendar days then they shall be entitled to file separate allocations. Any allocation of the Final Purchase Price agreed to pursuant to this section shall be binding on Buyer and the Sellers for all Tax reporting purposes except that neither Party shall be unreasonably impeded in its ability and discretion to negotiate, compromise and/or settle any Tax audit, claim, or similar proceedings. The Purchase Price Allocation shall be for tax purposes only, and the Purchase Price Allocation shall not have any effect on any other distribution or disbursement of monies to secured or unsecured creditors in any of the Bankruptcy Cases, if applicable.

**Section 2.10 Transfer Taxes.** All federal, state and local sales and transfer Taxes, including all state and local Taxes in connection with the transfer of the Transferred Assets, and all recording and filing fees (collectively, “**Transaction Taxes**”) that may be imposed by reason of the sale, transfer, assignment and delivery of the Transferred Assets, and are not exempt under Section 1146(a) of the Bankruptcy Code shall be borne 100% by Sellers. Transaction Taxes do not include any Tax in the nature of an income tax, including any capital gains, franchise, excise, inheritance, estate, succession, or gift taxes. The Sellers and Buyer shall cooperate to minimize any such Transaction Taxes and to determine appropriate taxing authorities and amount of Transaction Taxes, if any, payable in connection with the Transactions. The Buyer shall assist Sellers reasonably in the preparation and filing of any and all required returns for or with respect to such Transaction Taxes with any and all appropriate taxing authorities.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLERS**

The Sellers, jointly and severally, represent and warrant to Buyer that the statements contained in this Article III are true and correct on the Execution Date and will be true and correct at the Closing as of the Closing Date, and in each case solely with respect to the Acquired Business.

**Section 3.01 Corporate Existence and Power.** Each Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Each Seller has all requisite power and authority to carry on its business as now being conducted and to own,

lease, and operate its properties and assets as now owned, leased or operated, and to perform all its obligations under the agreements and instruments to which it is a party or by which it is bound. No Seller is required to be qualified to do business as a foreign corporation (or other entity) in any jurisdiction.

**Section 3.02 Authorization.** Subject to any necessary authorization from the Bankruptcy Court, each Seller has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the Transactions. On the Execution Date, the execution, delivery and performance by the Sellers of this Agreement and the other Transaction Documents dated the Execution Date to which the Sellers are a party and the consummation of the Transactions have been duly authorized by all necessary action on the part of the Sellers. No other corporate or organizational proceedings on the part of a Seller are necessary to approve and authorize the execution and delivery of the Transaction Documents to which Sellers are a party and the consummation of the Transactions. As of the Closing Date, subject to the filing of the Bankruptcy Cases and the entry of the Sale Order by the Bankruptcy Court, this Agreement and each other Transaction Document to which the Debtors will be a party on the Closing Date (assuming in each case due authorization, execution and delivery thereof by the other parties thereto) constitute valid and binding agreements of the Debtors, enforceable against the Debtors in accordance with their terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

**Section 3.03 Governmental Authorization.** The execution, delivery, and performance by the Sellers of this Agreement and each other Transaction Document to which they are or will be parties and the consummation by the Sellers of the Transactions require no action by or in respect of, consent of, or filing with or notification to, any Governmental Authority other than, subject to the filing of the Bankruptcy Cases following the Execution Date, the filing of appropriate pleadings and notices with the Bankruptcy Court, the entry of the Bidding Procedures Order and the Sale Order by the Bankruptcy Court, and the approval of this Agreement by the Bankruptcy Court as specifically provided in this Agreement.

**Section 3.04 Title to Transferred Assets.** At the Closing, subject to the filing of the Bankruptcy Cases and the entry of the Sale Order by the Bankruptcy Court, the Debtors shall deliver to Buyer, and Buyer will acquire, good and marketable title to (or with respect to (i) the Owned Real Property, good and indefeasible title, or (ii) the Leased Real Property, a valid leasehold in or rights to use such Facilities or property subject to such leasehold) and rights to use all of the Transferred Assets free and clear of all Liens (other than Permitted Liens), Claims, and Interests. The Transferred Assets are sufficient for the continued conduct of the Acquired Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property, and assets necessary to conduct the Acquires Business as currently conducted. The Houston Assets do not include any of the Transferred Assets.

**Section 3.05 Financial Statements and Information.** Sellers have delivered to Buyer: (a) the consolidated audited balance sheet of Neighbors Global Holdings, LLC as of December 31, 2016, and the related statement of income for the year then ended, (b) with respect to each of the Operating Sellers, its unaudited balance sheet as of December 31, 2017 and its related unaudited income statement for the year then ended, and (c) with respect to each of the

Operating Sellers, its unaudited balance sheet as of April 30, 2018 and its related unaudited income statement for the 4-month period then ended (collectively, the “*Financial Statements*”). The Financial Statements are true, correct and complete in all material respects and fairly present in all material respects the financial condition, results of operations and cash flows of Sellers as of the respective dates thereof and for the periods referred to therein. The Financial Statements reflect the consistent application of accounting principles throughout the periods involved. The Financial Statements have been prepared from and are in accordance with the accounting records of Sellers.

**Section 3.06 Absence of Certain Developments.** Except as expressly contemplated by this Agreement or as disclosed by Seller to Buyer on Schedule 3.06, since April 30, 2018 (i) Sellers have conducted the Acquired Business only in the ordinary course of business and (ii) there has not been any event, change, occurrence or circumstance that has had or could reasonably be expected to have a Seller Material Adverse Effect.

**Section 3.07 Brokerage Fees.** Except as set forth on Schedule 3.07, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Sellers or the Debtors which is or will be entitled to any fee, commission or other compensation in connection with the Transactions. Any such fee listed on Schedule 3.07 shall be the sole responsibility of the Sellers.

### **Section 3.08 Contracts.**

(a) Schedule 3.08(a) contains a correct and complete list of all Contracts that are material to the operation of the Acquired Business (“*Seller Contracts*”). The Sellers have made available to Buyer true, correct and complete copies of each Seller Contract. Except for those Seller Contracts indicated by an asterisk on Schedule 3.08(a), none of the Sellers is the licensor of any intellectual property, including any trademarks or any other property that could be the subject of an election under Section 365(n) of the Bankruptcy Code.

(b) Each Seller Contract is a valid and binding agreement of the applicable Seller and counterparty, enforceable against such Seller and counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors’ rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Except as set forth in Schedule 3.08(b), no party is in breach of or default under any Seller Contract, where such breach or default has resulted in, or could reasonably be expected to result in, loss or liability in excess of \$250,000.

### **Section 3.09 Taxes.**

(a) All Tax Returns required to have been filed by or with respect to the Sellers have been filed (taking into account any extension of time to file granted or obtained) and such Tax Returns are true, correct and complete in all material respects;

(b) Except as set forth on Schedule 3.09(b), all Taxes required to have been paid by or with respect to the Sellers have been paid, other than Taxes of the Sellers the payment of which is prohibited or stayed by the Bankruptcy Code;

(c) Sellers have deducted, withheld and timely paid to the appropriate Governmental Authorities all Taxes required to be deducted, withheld or paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other similar Person of or with respect to Sellers, and Sellers have complied with all related Applicable Laws.

(d) There are no Liens with respect to Taxes on any of the Transferred Assets, other than such Liens that will be released upon entry of the Sale Order, as applicable;

(e) Buyer will not be required to include any amount in taxable income for any Tax period (or portion thereof) ending after Closing Date, as a result of transactions or events occurring with respect to Sellers, sales or receipts received by Sellers, or accounting methods employed by Sellers, prior to Closing;

(f) The Sellers have not received any written notice of any pending or threatened assessment of Taxes, or any audits, examinations, investigations, or other proceedings in respect of Taxes or Tax Returns of the Sellers; and

(g) Sellers have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessed or a deficiency.

**Section 3.10 Inventory.** The Inventory of Sellers (a) is sufficient for the operation of the Acquired Business in the ordinary course of business, (b) consists of items that are good and merchantable, and (c) is of a quality and quantity presently usable or saleable in the ordinary course of business.

**Section 3.11 Transactions with Affiliates.** Schedule 3.11(a) sets forth a complete and correct list of all transactions to or by which the Sellers, on the one hand, and any Affiliate of the Sellers, on the other hand, is a party or are otherwise bound or subject and by which any of the Transferred Assets are bound or subject or pursuant to which the Sellers have made, since December 31, 2017, or are obligated to make, payments or incur expenses to or for the benefit of the Sellers or any Affiliate of the Sellers. Except as set forth in Schedule 3.11(b), no Seller, and, to the Knowledge of Sellers, no Affiliate of a Seller, Insider, employee, or agent of or consultant to a Seller, (a) beneficially owns, directly or indirectly, an interest in, or is a director, officer, employee or agent of or consultant to, any Person which is a competitor, supplier or customer of a Seller or the Acquired Business, or (b) directly or indirectly owns or has an interest in any property, asset or right (real or personal, tangible or intangible) which is used in, pertains to or is necessary for the operation of the Acquired Business or the Transferred Assets.

**Section 3.12 Compliance with Laws.** Except as set forth in Schedule 3.12(a), each Seller is in compliance in all material respects with the requirements of all Applicable Laws that are material to the operation of the Acquired Business. No Seller has received notice from any Governmental Authority of any pending or threatened Proceeding, or any circumstances or facts which could give rise thereto, involving the Sellers, their assets or any physician employed or engaged by the Sellers with respect to any Applicable Law. Set forth in Schedule 3.12(b) are all Permits held by Sellers with respect to the Transferred Assets, which constitute all of the Permits necessary to permit Buyer to own, operate, use, and maintain the Transferred Assets in the

manner in which they are now operated and maintained or have been operated and maintained since December 31, 2017 and to conduct their businesses as now being conducted or have been operated and maintained since December 31, 2017 in compliance with all Applicable Law. All required filings with respect to such Permits have been timely made and all required applications for renewal thereof have been timely filed. All such Permits are in full force and effect and there are no Proceedings pending or, to the Knowledge of Sellers, threatened that seek the revocation, cancellation, suspension, or adverse modification thereof.

### **Section 3.13 Healthcare Laws.**

(a) Except as set forth in Schedule 3.13(a), to the Knowledge of Sellers, no Seller nor any Affiliate of a Seller is or has been in violation of any Healthcare Laws. No Seller has received notice from any Governmental Authority of any pending or threatened Proceeding, or any circumstances or facts which could give rise thereto, involving the Sellers, their assets or any physician employed or engaged by the Sellers with respect to any applicable Healthcare Law.

(b) Set forth in Schedule 3.13(b) are all Permits held by Sellers with respect to any Healthcare Laws, which constitute all of the Permits necessary to permit Buyer to own, operate, use, and maintain the Transferred Assets in the manner in which they are now operated and maintained or have been operated and maintained since December 31, 2017 and to conduct their businesses as now being conducted or have been operated and maintained since December 31, 2017 in compliance with all Healthcare Laws. All required filings with respect to such Permits have been timely made and all required applications for renewal thereof have been timely filed. All such Permits are in full force and effect, and there are no Proceedings pending or, to the Knowledge of Sellers, threatened, that seek the revocation, cancellation, suspension, or adverse modification thereof.

**Section 3.14 Legal Proceedings.** Except (a) as set forth on Schedule 3.14, and (b) for the Bankruptcy Cases, there is no Proceeding of any nature pending or, to the Knowledge of Sellers, threatened against or by any Seller or any Affiliate of any Seller relating to or affecting the Transferred Assets or the Specifically Assumed Liabilities, or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions, or which affects the execution and delivery by the Sellers of this Agreement and the other Transaction Documents to which the Sellers are or will be a party. No Seller or any Affiliate of a Seller is subject to any Order in which relief is sought relating to or affecting the Transferred Assets or the Specifically Assumed Liabilities, or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions, or which affects the execution and delivery by the Sellers of this Agreement and the other Transaction Documents to which the Sellers are or will be a party.

**Section 3.15 Absence of Restrictions and Conflicts.** The execution, delivery, and performance by the Sellers of this Agreement and the other Transaction Documents to which the Sellers are or will be a party and the consummation by the Sellers of the Transactions do not and will not (a) contravene, conflict with, or result in any violation or breach of any provision of the Sellers' Organizational Documents, (b) assuming compliance with the matters referred to in Section 3.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, or (c) assuming compliance with the matters referred to in Section 3.03, require

any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Sellers are entitled under any provision of any Desired 365 Contract binding upon the Sellers or by which the Transferred Assets may be bound or any Permit affecting, or relating in any way to, the Sellers, the Transferred Assets or the Acquired Business.

### **Section 3.16 Intellectual Property.**

(a) The Sellers own, or have the licenses or rights to use, all Intellectual Property Rights that are necessary to operate the Acquired Business as currently conducted. Schedule 3.16(a) sets forth a complete and correct list and summary description of such Intellectual Property Rights, including whether such Intellectual Property Rights are Licensed Intellectual Property Rights or Owned Intellectual Property Rights.

(b) Except as set forth on Schedule 3.16(b), no Seller has received any notice that (i) any Seller is infringing in any material respect the Intellectual Property Rights of any Third Party or (ii) any Intellectual Property Right necessary to operate the Acquired Business as currently conducted has been terminated or will be terminated or the use of such Intellectual Property Right is in violation of any Applicable Law.

### **Section 3.17 Environmental.**

(a) To the Knowledge of Sellers, the Acquired Business has been conducted in compliance with all applicable Environmental Laws.

(b) No Seller has received any notice or demand letter from any Governmental Authority or Third Party, indicating that any Seller is in violation of, or liable under, any Environmental Law.

(c) To the Knowledge of Sellers, there have been no “releases” or threats of “releases” (as defined in any Environmental Laws) of Hazardous Substances at, from, in or on the Leased Real Property. There is no on-site or off-site location to which a Seller has transported or disposed of Hazardous Substances from the Leased Real Property or arranged for the transportation or disposal of Hazardous Substances from the Leased Real Property that is or, to Sellers’ Knowledge, is threatened to be the subject of any federal, state, local or foreign enforcement action or any other investigation that could lead to any claim against any Seller or the Buyer for any clean-up cost, remedial work, damage to natural resources, property damage or personal injury, including any claim under any Environmental Laws.

(d) No Seller, nor, to the Knowledge of Sellers, any other Person for whose conduct any Seller is or may be held responsible, has (A) entered into or been subject to any consent decree, compliance order or administrative order with respect to the Leased Real Property or operations thereon, (B) received notice under the citizen suit provision of any Environmental Laws in connection with the Leased Real Property or operations thereon, (C) received any request for information, notice, demand letter, administrative inquiry or formal or information complaint or claim with respect to any Hazardous Substances relating to the Leased Real Property or operations thereon, or (D) been subject to or threatened with any governmental

or citizen enforcement action with respect to the Leased Real Property or operations thereon, and no Seller has any reason to believe that any of the above will be forthcoming.

(e) To the Knowledge of Sellers, no Seller or any of its Affiliates has any contingent liability in connection with any release or disposal of any Hazardous Substance from the Leased Real Property into the environment.

(f) (i) No Seller has owned, leased or operated a site that pursuant to CERCLA or any similar state or foreign Law, has been placed or is proposed to be placed by any Governmental Authority on the "National Priorities List" or similar state or foreign list, as in effect as of the Closing Date, and (ii) except as would not reasonably be expected to result in a Sellers Material Adverse Effect, no Seller has been identified by any Governmental Authority as a potentially responsible party under CERCLA or any analogous state Law with respect to any site, and no Hazardous Materials generated, transported or disposed of by or on behalf of any Seller have been found at any site where a Person has made written demand on any Seller to conduct or pay for a remedial investigation, removal or other response action pursuant to any applicable Environmental Law.

### **Section 3.18 Real Property.**

(a) Schedule 3.18(a) sets forth a correct and complete legal description of the Owned Real Property together with the owner thereof. Upon entry of the Sale Order by the Bankruptcy Court, the applicable Debtor, as listed on Schedule 3.18(a), will have good and marketable fee simple title to the Owned Real Property, subject only to Permitted Liens.

(b) Schedule 3.18(b) sets forth a correct and complete legal description of the Leased Real Property. Upon entry of the Sale Order by the Bankruptcy Court, the applicable Debtor, as listed on Schedule 3.18(b), will have a valid leasehold interest in the Leased Real Property, and the leases granting such interests will be in full force and effect.

(c) Except for the Seller Real Property, Seller does not own or lease, and the Acquired Business does not occupy or otherwise require the use of, any real property. No portion of the Seller Real Property, or any building or improvement located thereon, violates any Applicable Law in any material respect, including those Applicable Laws relating to zoning, building, land use, environmental, health and safety, fire, air, sanitation and noise control. Except for the Permitted Liens and liens that will be released at or prior to the Closing, no Seller Real Property is subject to (i) any decree or order of any Governmental Authority (or, to Sellers' Knowledge, threatened or proposed order) or (ii) any rights or way, building use restrictions, exceptions, variances, reservations or limitations or any nature whatsoever. There are no condemnation, environmental, zoning or other land-use regulation proceedings, either instituted, or, to the Knowledge of Sellers, planned to be instituted, which would adversely affect the use and operation of the Seller Real Property for their intended purpose or the value of the Seller Real Property, and no Seller has received notice of any special assessment proceedings affecting the Seller Real Property. There are no third persons or parties in possession of any part of the Seller Real Property as lessees, tenants at sufferance, trespassers or otherwise. To the Knowledge of Sellers, there are no facts that would prevent Buyer from using and operating the

Seller Real Property after Closing in the manner used by Sellers and the Acquired Business prior to the Closing.

### **Section 3.19 Employment and Labor.**

(a) On or prior to the Execution Date, the Sellers provided Buyer with a complete and accurate list of all Employees of the Acquired Business as of the Execution Date (the “*Sellers’ Transferred Employee List*”), which list shall be updated prior to the Closing in accordance with Section 6.02.

(b) No Seller is, or has been, a party to, bound by, any collective bargaining or other agreement with a labor organization representing any of the Employees. Since the date of their respective formation, there has not been, nor, to the Knowledge of Sellers, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting any Seller or any of the Employees. There are no unfair labor practice complaints pending against any Seller before the National Labor Relations Board or any other Governmental Authority or any current union representation questions involving employees of Sellers. Each Seller is currently in compliance with all Applicable Laws in all material respects relating to the employment of labor, including those related to wages, hours, worker classification, collective bargaining and the payment and withholding of Taxes and other sums as required by the appropriate Governmental Authority and to the Knowledge of Sellers has withheld and paid to the appropriate Governmental Authority or is holding for payment not yet due to such Governmental Authority all amounts required to be withheld from employees of such Seller and is not liable for any arrears of wages, Taxes, penalties or other sums for failure to comply with any of the foregoing. To the Knowledge of Sellers, each Seller has paid in full to all employees or adequately accrued for all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees. There is no claim with respect to payment of wages, salary or overtime pay that has been asserted or is now pending or, to the Knowledge of Sellers, threatened before any Governmental Authority with respect to any persons currently or formerly employed by any Seller. No Seller is a party to, otherwise bound by, any consent decree with, or citation by, any Governmental Authority relating to employees or employment practices for which Buyer could reasonably be expected to have any Liability. There is no charge or Proceeding with respect to a violation of any occupational safety or health standards that has been asserted or is now pending or, to the Knowledge of Sellers, threatened with respect to any Seller. There is no charge of discrimination in employment or employment practices, for any reason, including age, gender, race, religion or other legally protected category, which has been asserted or is now pending or, to the Knowledge of Sellers, threatened before the United States Equal Employment Opportunity Commission, or any other Governmental Authority in any jurisdiction in which any Seller has employed or currently employs any person.

### **Section 3.20 Employee Benefits.**

(a) Schedule 3.20 contains a complete and accurate list of all ERISA Plans, copies of which have been made available to Buyer. Each ERISA Plan has been administered and operated in accordance with its terms and is in compliance with all applicable laws, including ERISA and the Code and the regulations thereunder in all material respects. All filings,

reports and disclosures as to each ERISA Plan required to have been submitted to the Internal Revenue Service, the United States Department of Labor or to any other regulatory agency or delivered to participants therein have been duly and timely submitted or delivered.

(b) There is no Proceeding pending or, to the Knowledge of Sellers, Threatened before any Governmental Authority or before any arbitrator (except claims for benefits payable in the normal operation of the ERISA Plans and Proceedings with respect to qualified domestic relations orders) involving any ERISA Plan or asserting any rights or claims to benefits under any ERISA Plan that could give rise to any material liability or for which Buyer could reasonably be expected to have any Liability.

(c) No Seller nor any ERISA Affiliate has ever maintained or contributed to an Employee Benefit Plan subject to Section 412 of the Code or Title IV of ERISA or maintained or been obligated to contribute to any “multiemployer plan” (as defined in Section 4001(a)(3) of ERISA).

(d) There are no unfunded obligations under any ERISA Plan providing benefits after termination of employment to any employee of any Seller (or to any beneficiary of any such employee), including retiree health coverage and deferred compensation, but excluding continuation of health coverage required to be continued under Section 4980B of the Code or other Applicable Law and insurance conversion privileges under state law.

(e) Each Group Health Plans (as defined in 45 C.F.R. Section 160.103) of a Seller for its employees and the dependents thereof is in compliance in all material respects with, and has not violated in any respect, the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, as amended or the provisions of the Patient Protection and Affordable Care Act of 2010, as amended, and applicable regulations and other regulatory guidance issued under such Acts. Each individual who is classified by a Seller as a non-employee, including as an independent contractor, has been properly classified for purposes of eligibility, participation and benefit accrual under each ERISA Plan.

(f) Each ERISA Plan that constitutes in any part a nonqualified deferred compensation plan within the meaning of Section 409A of the Code has been operated and maintained in operational and documentary compliance with Section 409A of the Code and applicable guidance thereunder. No payment to be made under any ERISA Plan is, or to the Knowledge of Sellers will be, subject to the penalties of Section 409A(a)(1) of the Code.

**Section 3.21 Disclosures.** No representation or warranty or other statement of Sellers contained herein, any Schedules hereto, any certificates delivered to or to be delivered pursuant hereto, or otherwise made to Buyer or its Representatives by any Seller, or any of their respective Representatives, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading. All copies of documents provided or made available to Buyer by Sellers are complete and accurate copies and include all amendments and modifications thereto.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Sellers, as of the Execution Date and as of the Closing Date, that:

**Section 4.01 Corporate Existence and Power.** Buyer is a corporation existing and in good standing under the laws of Texas and has full power and authority to carry on its business as now conducted.

**Section 4.02 Authorization.** The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is or will be a party and the consummation of the Transactions are within the powers of Buyer and have been duly authorized by all necessary action on the part of Buyer. Each of this Agreement and the other Transaction Documents to which Buyer is a party have been duly executed and delivered on behalf of Buyer, and (assuming in each case due authorization, execution and delivery thereof by the other parties thereto) constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

**Section 4.03 Governmental Authorization.** The execution, delivery, and performance by Buyer of this Agreement and each other Transaction Document to which Buyer is or will be a party and the consummation by Buyer of the Transactions require no action by or in respect of, consent of, or filing with or notification to, any Governmental Authority other than, subject to the filing of the Bankruptcy Cases following the Execution Date, the filing of appropriate pleadings and notices with the Bankruptcy Court, the entry of the Bidding Procedures Order and the Sale Order by the Bankruptcy Court, and the approval of this Agreement by the Bankruptcy Court or as specifically provided in this Agreement.

**Section 4.04 Healthcare Laws.** Buyer has the power and authority to consummate the Transactions, to assume and maintain all Permits included in the Transferred Assets and to operate the Facilities, all in accordance with all applicable Healthcare Laws. To Buyer's knowledge, there is no reason that any such Permit or filing, consent or approval of or by any Governmental Authority that is or will be necessary for the operation of the Facilities by Buyer following the closing will not be provided by or obtained from such Governmental Authority without material conditions.

**Section 4.05 Legal Proceedings.** As of the Execution Date, Buyer has no actual knowledge of any Proceeding (or any basis therefor) pending against, or threatened against or affecting Buyer, any present or former officer, director or employee of Buyer or any other Person for whom Buyer may be liable or any of its respective properties, that, (a) if determined or resolved adversely in accordance with the plaintiff's demands, would reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect, (b) in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Transactions, or (c) affects the execution and delivery by Buyer of this Agreement and the other Transaction Documents to which either Buyer is or will be a party.

**Section 4.06 Absence of Restrictions and Conflicts.** The execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents to which Buyer is or will be a party and the consummation by Buyer of the Transactions do not and will not (a) contravene, conflict with, or result in any violation or breach of any provision of the Buyer's Organizational Documents, (b) assuming compliance with the matters referred to in Section 4.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, or (c) assuming compliance with the matters referred to in Section 4.03, require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Buyer is entitled under any provision of any Contract binding upon Buyer or by which its assets may be bound or any Permit affecting, or relating in any way to, Buyer or the assets or business of Buyer, with only such exceptions, in the case of each of clauses (b) and (c), as has not had and would not reasonably be expected to result in, a Buyer Material Adverse Effect.

**Section 4.07 Financing.** Buyer has, or will have at Closing, sufficient cash and available lines of credit and other sources of available funds to enable it to perform all of its obligations under this Agreement and the other Transaction Documents to which it will be a party, including to pay the Purchase Price in accordance with the terms of this Agreement.

**Section 4.08 Arm's Length.** This Agreement and each of the other Transaction Documents to which Buyer is a party were negotiated, proposed, and entered into between the Sellers and Buyer without collusion or fraud of any kind, in good faith and from arm's-length bargaining positions.

**Section 4.09 Finders' Fees.** Except as set forth in Schedule 4.09, there is no investment banker, broker, finder or other intermediary that has been or will be retained by or authorized to act on behalf of Buyer that is or will be entitled to any fee, commission, or other compensation in connection with the Transactions.

## **ARTICLE 5 PRE-CLOSING COVENANTS OF THE PARTIES**

**Section 5.01 Conduct of the Acquired Business.** From the Execution Date until the Closing or, if earlier, the termination of this Agreement, except (i) as otherwise contemplated by this Agreement, (ii) as required by any Applicable Law or any Governmental Authority or, subject to the filing of the Bankruptcy Cases, limitations resulting from the Bankruptcy Cases or orders from the Bankruptcy Court, or (iii) as otherwise consented to in writing by Buyer (such consent not to be unreasonably withheld, conditioned or delayed), the Sellers agree that they shall:

- (a) conduct the Acquired Business in the ordinary course of business;
- (b) use commercially reasonable efforts to: (i) maintain all of the tangible Transferred Assets in their current condition, reasonable wear and tear excepted, (ii) preserve intact the Acquired Business, and (iii) keep available the services of the current Employees and

to maintain their relations and goodwill with its suppliers, customers, distributors and any others with whom or with which it has business relations;

- (c) comply with Applicable Laws in all material respects;
- (d) maintain their books and records in the ordinary course of business;
- (e) not implement any closings or employee layoffs that could implicate the WARN Act;
- (f) not merge or consolidate with or into any legal entity, dissolve, liquidate, or otherwise terminate its existence;
- (g) not sell, lease, assign, transfer or otherwise dispose of any material assets or properties that would be Transferred Assets if retained by Sellers at the Effective Time, other than (i) Inventory and materials sold, consumed or otherwise disposed of in the ordinary course of business and (ii) assets or properties that relate to or are used in the performance of shared services provided by any of the Corporate and Shared Services Sellers to any Affiliates of the Sellers in the ordinary course of business;
- (h) not assume, assign, reject, terminate, waive any rights under or materially amend any executory contract or unexpired lease that is a Desired 365 Contract;
- (i) not (A) increase the annual level of compensation payable or to become payable by any Seller to any of its Employees, (B) grant any unusual or extraordinary bonus, benefit or other direct or indirect compensation to any Employee other than with respect to the payment of “stay” or “retention” bonuses as reasonably determined by Sellers and payable solely by Sellers, (C) increase the coverage or benefits available under any (or create any new) severance pay, termination pay, vacation pay, company awards, salary continuation for disability, sick leave, deferred compensation, bonus or other incentive compensation, insurance, pension or other employee benefit plan or arrangement made to, for, or with any of the Employees or otherwise modify or amend or terminate any such plan or arrangement or (D) enter into any employment, deferred compensation, severance, consulting, non-competition or similar agreement (or amend any such agreement) to which any Seller is a party or involving any Employee;
- (j) enter into any labor or collective bargaining agreement or, through negotiation or otherwise, make any commitment or incur any liability to any labor organization;
- (k) introduce any material change with respect to the operation of the Acquired Business, including any material change in the types, nature, composition or quality of products or services;
- (l) not fail to keep in full force and effect present insurance policies, binders, contracts, instruments or other comparable insurance benefiting the assets of the Sellers and the conduct of the Acquired Business;

(m) not terminate, discontinue, close or dispose of any Leased Real Property or business operation of any Seller;

(n) not enter into any agreement with any other Person that limits or restricts the ability of any Seller to conduct the Business as then conducted;

(o) not enter into, create, incur or assume any obligation, take any other action, or enter into any agreement with respect to any Transferred Assets or Specifically Assumed Liabilities, in any case which are other than in a manner consistent with the recent operation of the Acquired Business prior to the Petition Date; and

(p) not commit or agree, whether in writing or otherwise, to take any action prohibited by this Section 5.01.

### **Section 5.02 Bankruptcy Filings and Bidding Procedures.**

(a) Prior to the Execution Date, the Sellers (other than the Beaumont Sellers) filed the Bidding Procedures and Sale Motion pursuant to Sections 363 and 365 of the Bankruptcy Code seeking entry of the Bidding Procedures Order approving, among other things, (i) the bidding procedures set forth in the Bidding Procedures and Sale Motion, including the establishment of the Qualified Bid Deadline (as defined below), (ii) the schedule for an auction (the "**Auction**") and a hearing to consider approval of the sale of the Transferred Assets, (iii) the Bid Protections (as defined below), and (iv) the form and manner of notice of the proposed Transactions. Promptly after the date hereof, the Beaumont Sellers will file voluntary petitions under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

(b) Sellers shall obtain entry of the Bidding Procedures Order by the Bidding Procedures Order Deadline, which Bidding Procedures Order shall be acceptable to Buyer in its reasonable discretion.

(c) Notwithstanding anything in this Agreement to the contrary, Sellers acknowledge and agree that Buyer has spent substantial time and incurred significant costs and expenses in the evaluation of a bid for the Acquired Business, the Transferred Assets, and the Specifically Assumed Liabilities, the negotiations and execution of this Agreement and the other Transaction Documents, and efforts related to consummation of the Transactions. Therefore, the Buyer shall be entitled to, and Sellers jointly and severally shall pay, a payment in cash equal to \$250,000 as a "break-up fee" in accordance with Section 9.02(c) (the "**Bid Protections**") if the Buyer is not accepted by the Bankruptcy Court as the buyer of the Transferred Assets, the Sellers sell the Transferred Assets (or any material portion thereof) to any Third Party, or the Sellers breach or otherwise reject this Agreement in the Bankruptcy Cases. The Bid Protections shall survive breach, termination, or rejection of this Agreement and be entitled to allowed, super-priority, administrative-expense status, senior to and with priority over all other claims or expenses under Sections 105, 363, 364, 503(b)(1)(A), and 507(A)(1) of the Bankruptcy Code. The Bid Procedures shall provide that Sellers shall not accept any Third Party bid or bids that do not (i) include, in the aggregate, consideration that is at least equal to the Purchase Price, (ii) include cash consideration at least equal to the Bid Protections, and (iii) provide that the cash consideration be payable first to satisfy Sellers' obligation to pay the Bid Protections. Should

overbidding take place, Buyer shall have the right but not the obligation to participate in any overbid process.

(d) Prior to the completion of the Auction, the Sellers and their respective Affiliates and Representatives shall be permitted to market and solicit inquiries, proposals, offers or bids from, any Person other than Buyer regarding an Alternative Transaction, and may take any other affirmative action in connection therewith (including (i) entering into any Alternative Agreement (or letter-of-intent with respect thereto), (ii) issuing press releases, placing advertisements or making other releases or disclosures in connection therewith, or (iii) seeking approval of the Bankruptcy Court for any Alternative Transaction), and nothing in this Agreement will, or is intended to, in any way be deemed to restrict such actions or efforts. None of the Sellers nor any of their respective Affiliates or Representatives shall have any liability to Buyer or any of its Affiliates or Representatives, either under or relating to this Agreement or any Applicable Law, by virtue of entering into or seeking Bankruptcy Court approval of such an Alternative Agreement (or letter-of-intent with respect thereto) provided that Buyer is paid the Bid Protections to the extent required to be paid pursuant to Section 9.02(c).

(e) The bidding procedures set forth in the Bidding Procedures Order shall include a requirement that all “qualified bids” (as determined pursuant to the Bidding Procedures Order) (i) be submitted by no later than August 17, 2018, (the “**Qualified Bid Deadline**”), (ii) require an initial overbid that is \$250,000.00 more than the Purchase Price, net of the Bid Protections; (iii) after the initial overbid, all further overbids must be in increments of at least \$150,000.00, net of the Bid Protections, (iv) include a marked copy of this Agreement reflecting the Third Party bidder’s proposed changes to this Agreement; (v) include a good-faith deposit equal to the 10% of the Cash Purchase Price; and (vi) include no financing contingency.

(f) The Auction shall take place no later than three (3) Business Days following the Qualified Bid Deadline (the “**Auction Deadline**”). At the conclusion of the Auction, the Sellers will announce the highest and/or best qualified bid (the “**Highest and Best Bid**”) submitted by a Qualified Bidder (as defined in the Bid Procedures Motion) and the next highest and/or best qualified bid (the “**Back-Up Bid**”) submitted by a Qualified Bidder (the “**Back-Up Bidder**”). The Sellers will seek approval of the Highest and Best Bid at the hearing on the Bidding Procedures and Sale Motion. If for any reason, Buyer is selected as the Back-Up Bidder, and the Qualified Bidder submitting the Highest and Best Bid fails to timely consummate the purchase of the Transferred Assets, the Sellers may seek to consummate a sale to Buyer pursuant to this Agreement without further approval by the Bankruptcy Court. If Buyer is selected as the Back-Up Bidder, its Back-Up Bid and the obligation of Buyer to consummate the Transactions shall remain open and in full force, including with respect to the Deposit (together with all interest earned thereon), until the close of a sale of the Transferred Assets to the Person making the Highest and Best Bid.

(g) The hearing to approve the Sale Order shall take place no later than two (2) Business Days following the Auction (the “**Sale Hearing Deadline**”).

(h) The Sellers shall use reasonable efforts to (i) obtain entry of the Sale Order within two (2) Business Days following the hearing to approve the Sale Order (the “**Sale**

*Order Deadline*”), (ii) cause the Sale Order to become a Final Order prior to the End Date (the *“Final Order Deadline”*), and (iii) consummate the Closing by the End Date.

(i) If reasonably practicable under the circumstances before the filing of any motions, applications, petitions, schedules, and supporting papers relating to the Transactions, Sellers will provide Buyer with reasonable opportunity to review and comment on all such documents prepared by the Sellers (including forms of Orders and notices to interested parties) prior to the filing thereof in the Bankruptcy Cases. All motions prepared by Sellers and relating directly to the Transactions to be filed on behalf of the Sellers after the Execution Date hereof must be reasonably satisfactory in form and substance to the Buyer.

(j) Seller will promptly take such actions as are reasonably requested by Buyer to assist in obtaining entry of the Sale Order and the Bidding Procedures Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of providing necessary assurances of performance by Seller of its obligations under this Agreement and the Transaction Documents and demonstrating that Buyer is a good-faith buyer under Section 363(m) of the Bankruptcy Code.

(k) Notwithstanding anything in this Agreement to the contrary, pursuant to the terms of the proposed Bidding Procedures Order, Sellers will solicit bids from other prospective purchasers for the sale of all or substantially all of the Transferred Assets, on terms and conditions substantially the same in all respects to this Agreement (or more favorable terms to Sellers) and in accordance with the procedures set forth in the proposed Bidding Procedures Order; *provided, however*, that, following completion of the Auction until the Closing, Seller shall not (i) directly or indirectly, through any officer, director, employee, agent, professional, or advisor, solicit any Alternative Transaction or (ii) enter into any Alternative Agreement.

(l) If entry of the Bidding Procedures Order, the Sale Order or any other orders of the Bankruptcy Court relating to the Transactions shall be appealed or otherwise challenged by any party (including by petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument), the Sellers agree to use commercially reasonable efforts to oppose such appeal, challenge, petition or motion and to obtain an expedited resolution of any such appeal, petition, or motion.

### **Section 5.03 Actions With Respect to Contracts.**

(a) From and after the Execution Date until the Closing Date, Sellers shall not reject or alter (or attempt to alter) the terms of any 365 Contract to which any Seller is a party unless otherwise agreed to in writing by Buyer as provided in this Agreement. Sellers shall provide timely and proper written notice of the motion seeking entry of the Sale Order to all parties to such 365 Contracts and take all other actions necessary to cause such 365 Contracts to be assumed by Sellers and assigned to Buyer pursuant to Section 365 of the Bankruptcy Code to the extent that such Contracts are Desired 365 Contracts at Closing. Sellers shall have no obligation to Buyer to provide evidence of adequate assurance of future performance under the Desired 365 Contracts in connection with the assumption and assignment thereof by Sellers.

(b) By no later than one (1) week following the Execution Date, Buyer shall provide Sellers with Schedule 5.03 to this Agreement, which shall be a list of the 365 Contracts that, as of such date, Buyer desires to be assumed by the Sellers and assigned to Buyer (collectively, the “*Desired 365 Contracts*”). Not later than fifteen (15) days after the Petition Date, the Sellers shall provide Buyer with a schedule of the Cure Costs with respect to the 365 Contracts (including the Desired 365 Contracts) as of the Petition Date. At any time prior to three (3) days before the Qualified Bid Deadline, Buyer may (i) designate any 365 Contract that has not been rejected as a Desired 365 Contract and (ii) remove the designation of any 365 Contract as a “Desired 365 Contract,” in each case by providing the Sellers with an updated Schedule 5.03 clearly identifying such updated designation(s). Promptly upon Buyer being selected as the Winning Bidder, Buyer shall take all necessary action to effect the assumption of any Desired 365 Contract by Buyer in accordance with the Bankruptcy Code at the Closing, such assumption to be effective as of the Effective Time.

(c) At the Closing, Sellers shall pay all Cure Costs with respect to the Desired 365 Contracts. Buyer will provide evidence of adequate assurance of future performance of all of the Desired 365 Contracts so that all Desired 365 Contracts can be assumed Buyer at the Closing in accordance with the provisions of Section 365 of the Bankruptcy Code and this Agreement; *provided*, however, that if Buyer is unable to provide evidence of adequate assurance of future performance as to any Desired 365 Contract, then Schedule 5.03 shall be deemed to be amended to remove any such Desired 365 Contract; *provided, further*, that failure to provide such evidence of adequate assurance shall not be deemed to give rise to a failure of any condition of Buyer to consummation the Closing under Article 8. In that regard, Buyer acknowledges and agrees that Buyer may have to provide information regarding Buyer, as well as a financial commitment of performance by Buyer with respect to the Desired 365 Contracts from and after the Closing to demonstrate adequate assurance of the performance of the Desired 365 Contracts.

(d) The Sellers agree to provide to Buyer a copy of any motion, notice, application or other court document filed with, and any proposed orders submitted to, the Bankruptcy Court seeking authorization to assume or reject any Desired 365 Contract, enter into, amend or waive any provision of any Contract, other than as permitted under Section 5.01, in advance of filing (with a reasonable opportunity to review and comment on same) all of which must be, prior to filing, in form and substance reasonably satisfactory to Buyer in all material respects.

(e) Notwithstanding anything to the contrary contained in this Agreement, if the sale, conveyance, assignment or transfer, or attempted sale, conveyance, assignment or transfer, to Buyer of any License, Permit, certificate, approval, authorization, agreement, contract, lease, or other commitment included in the Transferred Assets (“*Non-Transferable Assets*”) is determined by the Bankruptcy Court to be nonassignable without consent (other than of an Affiliate of Sellers, in which case such Seller covenants and agrees to cause such Affiliate to render such consent), the Closing shall proceed, but the Closing shall not constitute the sale, conveyance, assignment, transfer or delivery or assumption of any such Non-Transferable Asset, and this Agreement shall not constitute a sale, conveyance, assignment, transfer or delivery or assumption of any such Non-Transferable Asset, unless and until such consent is obtained; *provided, however*, the Sellers shall use commercially reasonable efforts to obtain any such

consents related to the Non-Transferable Assets, and Buyer and Sellers shall reasonably cooperate with each other in any arrangement commercially reasonable to provide that Buyer shall receive the interest of the Sellers in the benefits under any such Non-Transferable Asset until such time as such consents shall have been obtained, and each of the Buyers and Sellers shall reasonably cooperate with the other party in any such commercially reasonable arrangement, including performance by the Sellers as agent if commercially reasonable to Buyer.

#### **Section 5.04 Access to Information and Lessors.**

(a) From the Execution Date until the Closing and subject to Applicable Law (including Patient Privacy Requirements), the Sellers shall (a) give to Buyer and its Representatives reasonable access during normal business hours to the offices, properties, books and records of the Sellers (including Tax Returns with respect to the Transferred Assets), and (b) instruct their Representatives to cooperate with Buyer in its investigations; *provided, however,* that no investigation pursuant to this Section 5.04 shall affect any representations or warranties made herein or the conditions to the obligations of the respective parties to consummate the Transactions and, provided, further, that in no event shall any Person be obligated to provide any information the disclosure of which would cause the loss of any legal privilege available to any Person relating to such information or would cause any Person to breach a confidentiality obligation to which it is bound; provided that Sellers shall use reasonable efforts to provide such information to Buyer in a manner not violative of the aforementioned. Any investigation pursuant to this Section 5.04 shall be conducted in such manner as not to interfere unreasonably with the conduct of the Acquired Business of the Sellers or their Representatives.

(b) From the Execution Date until the Closing, Sellers shall, and shall cause their Representatives to, reasonably cooperate with Buyer in its attempt to discuss terms (including rent) of the office leases for the Subject Locations and the Subject Equipment Leases, including by providing introductions to, and facilitating and participating in discussions with, the lessors or contract counterparties under such leases or contracts.

(c) By no later than five (5) Business Days following the Execution Date, Buyer shall provide Sellers with Buyer's proposed terms (including rent and term) for its lease of the Desired Headquarters Space in sufficient detail so as to enable Sellers to commence discussions with the Headquarters Lease Landlord regarding such proposed lease agreement. By no later than three (3) Business Days prior to the Auction, Buyer shall provide Sellers with written notice as to whether it has finalized a definitive lease agreement with the Headquarters Lease Landlord with respect to the Desired Headquarters Space or, if no such lease agreement has been finalized, whether Buyer will require access to and use of the Desired Headquarters Space in accordance with the proviso set forth in Section 2.08(c)(vii) and the length of time for which such access and use shall be required (which shall not exceed six (6) weeks following the Closing Date).

#### **Section 5.05 Commercially Reasonable Efforts; Further Assurances.**

(a) Subject to the terms and conditions of this Agreement and subject to the Bankruptcy Code and any orders of the Bankruptcy Court, Buyer and the Sellers each shall use

commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable to consummate the Transactions, including (i) finalizing, executing and delivering all Transaction Documents prior to the Closing, (ii) preparing and filing as promptly as practicable with any Governmental Authority or other Third Party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, and (iii) obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any Governmental Authority or other Third Party that are necessary, proper or advisable to consummate the Transactions, including transferring any Permit to Buyer, or, if any such Permit is not transferrable, to reasonably assist Buyer in obtaining a replacement therefore. Prior to the Closing Date, the Sellers shall provide Buyer with an updated list of all Employees, by location, who have suffered an “employment loss” (as defined in the WARN Act) during the three (3) month period prior to the Closing Date. The Sellers and Buyer shall execute and deliver or cause to be executed and delivered such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the Transactions in accordance with the terms and conditions of this Agreement.

(b) To the extent required under Applicable Law or any Healthcare Laws, Buyer shall file with applicable Governmental Authorities documentation notifying such Governmental Authorities of a change of ownership (“**CHOW**”) of the Facilities effective as of the Closing Date. The Sellers shall assist and cooperate with Buyer to take all actions necessary to transfer the Permits (to the extent transferable) for the Facilities, including the filing of CHOW documents as the seller, and any other governmental approvals necessary for Buyer to operate the Facilities in the same manner as the Sellers.

**Section 5.06 Notices of Certain Events.** Sellers shall promptly notify Buyer of:

(a) any written notice or other communication received by it from any Person alleging that the consent of such Person is or may be required in connection with the Transactions;

(b) any written notice or other communication received by it from any Governmental Authority in connection with the Transactions;

(c) any Proceedings commenced or, to the Knowledge of Sellers, threatened against, relating to or involving or otherwise affecting the Sellers or Buyer, respectively, as the case may be, that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to any section of this Agreement or that relate to the consummation of the Transactions;

(d) the damage or destruction by fire or other casualty of any material assets used in the Acquired Business or any material asset used in the Acquired Business becomes the subject of any Proceeding or, to Sellers’ Knowledge, threatened Proceeding for the taking thereof or any part thereof or of any right relating thereto by condemnation, eminent domain or other similar governmental action;

(e) any inaccuracy of any representation or warranty contained in this Agreement at any time during the term hereof that could reasonably be expected to cause the conditions set forth in Section 8.02(b) and Section 8.03(b) not to be satisfied; and

(f) any failure of Seller to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it hereunder.

Notwithstanding the foregoing, the delivery of any notice pursuant to this Section 5.06 shall not (x) be deemed to amend or supplement any of the Disclosure Schedules contemplated hereby, (y) be deemed to cure any breach of any representation, warranty, covenant or agreement or to satisfy any condition, or (z) limit or otherwise affect the remedies available hereunder to Buyer.

**Section 5.07 Rule 2002 Notice List.** To the extent not already included, Sellers shall add Buyer and Buyer's counsel to Sellers' so-called "Rule 2002 notice list" and otherwise provide notice to Buyer of all matters that are required to be served on each Seller's creditors pursuant to the Bankruptcy Code and Rules.

**Section 5.08 Ad Valorem Taxes.** Ad valorem real and tangible personal property taxes with respect to the Transferred Assets for the calendar year in which the Closing occurs shall be prorated between Sellers, on the one hand, and Buyer, on the other hand, as of the Closing Date based upon the applicable number of days covered by such taxes that the Transferred Assets were owned by the Sellers versus owned by the Buyer. If the amount of such Taxes with respect to any of the Transferred Assets for the calendar year in which the Closing occurs has not been determined as of the Closing Date, then the Taxes with respect to such Transferred Assets for the preceding calendar year, on the basis of no applicable discount, shall be used to calculate such prorations, with known changes in valuation applied. The prorated Taxes shall be an adjustment to the amount of cash due from Buyer at the Closing. If the actual amount of any such Taxes varies by more than \$2,000 from estimates used at the Closing to prorate such Taxes, then the parties shall re-prorate such Taxes within ten (10) days following request by either Buyer or Sellers based on the actual amount of the tax bill.

## ARTICLE 6 POST-CLOSING COVENANTS

**Section 6.01 Access.** Buyer, following the Closing, and subject to Applicable Law (including Patient Privacy Requirements), shall give to the Sellers and their Representatives reasonable access during normal business hours to the offices, books and records relating to Sellers, the Acquired Business and operations, the Transferred Assets and the Specifically Assumed Liabilities for any and all periods prior to or including the Closing Date as the Sellers and their Representatives may reasonably request and to make copies of the same in connection with (a) the preparation of Tax returns or information returns, (b) reports or other obligations by the Sellers to Governmental Authorities, (c) with respect to the administration of the Bankruptcy Cases or the winding-down of the Debtors' bankruptcy estates, (d) pursuing, prosecuting, or commencing litigation on Avoidance Actions, (e) objecting to proofs of claims or administrative expense claims, and (f) any final determination of any audit or examination, Proceeding, or determination; *provided, however*, that the obligation of Buyer to so accommodate the Sellers

and their Representatives shall be subject to (A) reasonable notice from the Sellers of any request for information, (B) the Sellers' agreement to reimburse Buyer for its out-of-pocket expenses of such accommodation, (C) non-interference with the ordinary conduct of business of Buyer, and (D) the right of Buyer to refuse any request for information that would result in a loss of privilege or constitute a breach of any confidentiality obligation of Buyer. Buyer shall preserve all such books and records for a period of seven (7) years after the Closing or such longer period as may be required by Patient Privacy Requirements; *provided, however*, that Buyer shall have the right at any time after the second anniversary of the Closing Date to request in writing that the Sellers (so long as the Sellers are in existence) take any such records and, if they do not agree to take such records within ninety (90) Business Days after receipt of the request, Buyer may dispose of such records, subject to Patient Privacy Requirements. Sellers and Buyer shall, and shall cause their respective Representatives to, abide by the terms of the Confidentiality Agreement with respect to any access or information provided pursuant to this Section 6.01.

### **Section 6.02 Employee Matters.**

(a) Not later than ten (10) days prior to the anticipated Closing Date, the Sellers shall provide Buyer with an updated Sellers' Transferred Employee List that identifies all Employees of the Acquired Business as of the date of such updated list. On or after the Closing Date and subject to satisfaction of Buyer's employment-screening procedures and requirements, Buyer will offer employment to certain Employees engaged in the Acquired Business and identified on the updated Sellers' Transferred Employee List as provided in this Section 6.02 and upon such terms and conditions as Buyer may determine in its sole discretion (the "***Transferred Employees***").

(b) Sellers shall provide Buyer with a true and accurate list, by date and location, of all Employee layoffs implemented by Sellers in ninety (90) days preceding the Closing. The Corporate and Shared Services Sellers shall cooperate with Buyer in permitting Buyer to interview, on a voluntary basis, the Employees so as to determine whether such Employees satisfy Buyer's hiring requirements and to communicate any information concerning employment offers and potential employment with Buyer prior to the Closing Date so that any Employees who are hired by Buyer may commence employment on the Closing Date. Not less than five (5) days before the Closing Date, Buyer shall provide the Sellers with a list of the Transferred Employees to be hired by Buyer at Closing (the "***Buyer's Transferred Employee List***"), which such list shall identify: (i) substantially all of the Facility-level employees (other than Facility administrators) who are listed on the updated Sellers' Transferred Employee List ("***Facility-level Employees***"), (ii) any Facility administrator employees Buyer desires to offer employment, as Buyer may determine in its sole and absolute discretion ("***Facility Administrators***"), and upon such terms and conditions as Buyer may determine in its sole and absolute discretion, (iii) billing and collection staff employees employed by NPM, with the number of such employees to be commensurate with patient volume as of the Closing Date, as determined by Buyer in its sole and absolute discretion ("***Billing and Collection Employees***"), and (iv) any key corporate-level employees employed by EDMG (other than Billing and Collection Employees) who Buyer desires to offer employment, as Buyer may determine in its sole and absolute discretion ("***Key Corporate-level Employees***"). Effective as of the Closing Date, the applicable Sellers shall terminate the employment of any Employees identified on the Buyer's Transferred Employee List.

(c) Buyer shall not assume, and the Sellers shall retain, any liability or obligation whatsoever of the Sellers relating to any of the ERISA Plans. The Corporate and Shared Services Sellers shall cause any ERISA Plan that is maintained solely for the benefit of Employees and their dependents and which does not cover any other employees of Sellers, their Affiliates or their ERISA Affiliates to be terminated at Closing. Buyer shall be responsible for the provision of COBRA-continuation coverage with respect to each Employee, and his or her dependents and spouse, who constitutes an “M & A qualified beneficiary” within the meaning of Treasury Regulation Section 54.4980B-9, Q&A-4 in connection with the Transactions and associated with the Transferred Assets notwithstanding that the Corporate and Shared Services Sellers or any of their ERISA Affiliates may continue a group health plan after Closing. Buyer shall in no event be responsible for the provision of COBRA-continuation coverage to qualified beneficiaries of the Sellers who are associated with the Retained Assets.

(d) The Sellers will be responsible for all Liabilities with respect to wages, salaries and employer’s and employee’s Withholding Taxes for the Transferred Employees that are accrued but unpaid after the Petition Date (including the PTO Obligations which shall be a Retained Liability pursuant to Section 2.04) and for all Liabilities with respect to claims by Transferred Employees or their eligible dependents for health, accident, sickness, and disability benefits that are accrued but unpaid after the Petition Date (excluding any COBRA Liabilities imposed on Buyer pursuant to Section 6.02(c)). Except as may be required under COBRA, Buyer shall have no obligation or responsibility for any claims for health, accident, sickness, and disability benefits that are incurred prior to or on the Petition Date by any Employees or their eligible dependents. Subject to limitations imposed by Applicable Law, with respect to the employee welfare benefit plans maintained by Buyer following the Closing Date in which the Transferred Employees are eligible to participate, Buyer shall use commercially reasonable efforts to (i) waive, or cause to be waived, any limitations on benefits relating to waiting periods, pre-existing condition exclusions or actively at work requirements, except to the extent that such waiting period, exclusions or requirements applied to the Transferred Employee under the corresponding ERISA Plan and (ii) recognize any deductibles and other eligible expenses that were incurred by such Transferred Employees in the plan year in which the Effective Time occurs with respect to satisfying any deductibles or out-of-pocket maximums applicable to such Transferred Employee during the applicable plan year of the comparable Buyer benefit plan, to the extent such recognition would have been given under comparable ERISA Plans prior to the Effective Time.

(e) Prior to the Closing Date, the Sellers shall be solely responsible for complying with the WARN Act and any and all obligations under other Applicable Laws requiring notice of plant closings, relocations, mass layoffs, reductions in force or similar actions (and for any failures to so comply), in any case, applicable to Employees as a result of any action by the Sellers or any of their Affiliates prior to the Closing Date. Sellers shall remain solely responsible for WARN Act Liabilities applicable to the Employees that are incurred on or after the Closing Date, including with respect to any Employee terminated prior to the Closing Date that, when aggregated with any Employee who is not hired or who is terminated on or after Closing or for which any WARN Act Liability is incurred, results in WARN Act Liability with respect to such Seller Employee terminated prior to Closing.

(f) Each offer of employment by Buyer to a Facility-level Employee or Billing and Collection Employee pursuant to this Section 6.02 shall initially provide such Transferred Employee with (i) total target annual cash compensation that is not substantially less favorable, on an aggregate basis, to either (A) the base salary (or hourly wages, if applicable) provided by the applicable Seller to such Employee immediately prior to the Effective Time, or (B) a market-rate base salary (or hourly wages, if applicable), as determined by Buyer in its sole and absolute discretion; and (ii) other employee benefits (excluding equity incentive compensation) which are not substantially less favorable, in the aggregate, to the employee benefits (excluding equity incentive compensation) provided to similarly-situated employees of Buyer, subject to the terms, conditions and eligibility requirements of any plan providing for such benefits. Each offer of employment by Buyer to a Facility Administrator or Key Corporate-level Employee, if any, shall be at the sole and absolute discretion of Buyer and on such terms as determined by Buyer in its sole and absolute discretion. Sellers shall afford Buyer reasonable access to Employees prior to the Closing for the purpose of conducting interviews for employment and communicating Buyer's transition plan for Employees, including a "town-hall" type meeting at each Facility.

(g) Nothing in this Agreement is intended to confer on any entity or individual who is not a party to this Agreement any rights whatsoever. This Section 6.02 shall not constitute an amendment to any employee benefit plan maintained by Buyer or a Seller, create any third-party beneficiary rights, or inure to the benefit of or be enforceable by, any employee or any Person representing the interests of employees.

**Section 6.03 Trade Name License Agreement and Transition Services Agreements.** Commencing promptly following the Execution Date, Sellers and Buyer shall negotiate in good faith on the terms of the Trade Name License Agreement, the Transition Services Agreement (Houston) and the Transition Services Agreement (Debtor Estate) and shall use commercially reasonable efforts to finalize the definitive forms of such agreements by no later than the date of the hearing of the Bidding Procedures and Sale Motion.

## **ARTICLE 7 POST-CLOSING COVENANTS OF THE PARTIES**

**Section 7.01 Certain Filings.** The Sellers and Buyer shall cooperate with one another (a) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the Transactions and (b) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

**Section 7.02 Public Announcements.** The Sellers and Buyer agree that the consent (as to both form and content) of each other Party shall be obtained prior to issuing any press release or making any public statement with respect to this Agreement or the other Transaction Documents or the Transactions. Notwithstanding the foregoing, subject to the filing of the Bankruptcy Cases, the Sellers may file this Agreement and the other Transaction Documents with the Bankruptcy Court upon execution of this Agreement if they determine that such filing is

appropriate and/or may inform the Bankruptcy Court of the existence and terms of this Agreement.

**Section 7.03 Confidentiality.** Buyer acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Buyer pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to Closing, the Confidentiality Agreement and the provisions of this Section 7.03 shall nonetheless continue in full force and effect. This Agreement will be filed with the Bankruptcy Court, will be distributed as an exhibit to the Bidding Procedures and Sale Motion and may be included or summarized in such pleadings and documents, and that any such disclosures shall not violate this section. The Parties also agree that such disclosure or any other permitted disclosure in Section 7.03 shall not be deemed to violate any confidentiality obligations owing to any Party, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise. Notwithstanding the foregoing, this Section 7.03 shall not in any way limit, to the extent required by Applicable Law, the disclosure of information by the Sellers in connection with the administration of the Bankruptcy Cases, pursuant to any provision of the Bankruptcy Code or any order of the Bankruptcy Court.

**Section 7.04 Mail and Other Post-Closing Inquiries.** The Sellers authorize Buyer on and after the Closing Date to receive and to open all mail received by Buyer relating to any of the Retained Assets or the Retained Liabilities. The Sellers shall promptly deliver to Buyer any mail or other communication received by the Sellers after the Closing Date pertaining to any of the Transferred Assets or the Specifically Assumed Liabilities. Buyer shall promptly deliver to the Sellers all other mail or communications received by Buyer or its Affiliates that relate to the Retained Assets or Retained Liabilities or to possible violations of Section 362 of the Bankruptcy Code.

## ARTICLE 8 CONDITIONS TO CLOSING

**Section 8.01 Conditions to Obligations of Buyer and Sellers.** The obligations of Buyer and the Sellers to consummate the Closing are subject to the satisfaction of each of the following conditions:

- (a) No Applicable Law shall prohibit the Transactions or the consummation of the Closing;
- (b) All actions by or in respect of or filings with any Governmental Authority required to permit the consummation of the Closing shall have been taken, made or obtained; and
- (c) No Proceeding instituted by any Governmental Authority shall be pending and no injunction, order, decree or judgment of any Governmental Authority of competent jurisdiction shall be in effect, in each case which seeks to or does, as applicable, prohibit, restrain or enjoin the consummation of the Transactions; *provided, however*, that the Party seeking to rely on this Section 8.01(c) as a basis not to consummate the Closing must have used

commercially reasonable efforts to cause such Proceeding to have been dismissed or resolved in favor of the Parties or to prevent the entry of such injunction, order, decree or judgment.

**Section 8.02 Conditions to Obligations of Buyer.** The obligation of Buyer to consummate the Closing is subject to the satisfaction (or waiver by Buyer) of each of the following further conditions:

(a) The Sellers shall have performed in all material respects all of their covenants and agreements hereunder required to be performed by them on or prior to the Closing Date;

(b) The representations and warranties of the Sellers set forth in Article 3 of this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Sellers Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Sellers Material Adverse Effect) at and as of the Closing Date, as if made at and as of the Closing Date, other than those representations and warranties that are made as of a specific earlier date which representations need not be true and correct as of the Closing Date but must be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Sellers Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Sellers Material Adverse Effect) as of such specific earlier date;

(c) Buyer shall have received a certificate signed by an executive officer of Sellers with respect to the items set forth in Sections 8.02(a) and (b);

(d) There shall not have been any event causing a Sellers Material Adverse Effect;

(e) The Sellers shall have delivered or be prepared to deliver all of the items required by Section 2.08(c) and all other items required to be delivered by the Sellers as of the Closing Date pursuant to the terms and conditions of this Agreement;

(f) The Sale Order, in form and substance acceptable to Buyer, in its reasonable discretion, shall have been entered by the Bankruptcy Court prior to the Closing and such order shall be a Final Order and in full force and effect;

(g) Sellers shall have caused all bank accounts, safety-deposit boxes and lock boxes for Sellers to be transferred to Buyer, and shall have caused the authorized signatories on any bank accounts to be transferred to authorized signatories of Buyer;

(h) The Aggregate Patient Volume for the Facilities as of the 30 days preceding the Closing Date shall be not less than 3,267;

(i) The Average Net Revenue Per Patient as of the 30 days preceding the Closing Date shall be not less than \$862;

(j) The Bidding Procedures Order shall be acceptable to the Buyer in its reasonable discretion and have been entered on the docket of the Bankruptcy Court as soon as practicable and no later than the Bidding Procedures Order Deadline;

(k) The Sale Order shall be acceptable to the Buyer in its reasonable discretion and have been entered on the docket of the Bankruptcy Court as soon as practicable and no later than the Sale Order Deadline and shall have become a Final Order by the Final Order Deadline; and

(l) The Sale Order shall approve and authorize the Transactions, including the assumption and assignment of the Desired 365 Contracts, and the Desired 365 Contracts shall have been actually assumed and assigned to Buyer such that the Desired 365 Contracts will be in full force and effect from and after the Closing with non-debtor parties being barred and enjoined from asserting against Buyer, among other things, defaults, breaches, or claims of pecuniary losses existing as of the Closing or by reason of the Closing.

**Section 8.03 Conditions to Obligations of the Sellers.** The obligation of the Sellers to consummate the Closing is subject to the satisfaction (or waiver by the Sellers) of the following further conditions:

(a) Buyer shall have performed in all material respects all of its covenants and agreements hereunder required to be performed by it at or prior to the Closing Date;

(b) The representations and warranties of Buyer in Article 4 of this Agreement shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of the Closing Date, disregarding any materiality, Buyer Material Adverse Effect or similar qualifiers, other than those representations and warranties that are made as of a specific earlier date which representations need not be true and correct as of the Closing Date but must be true and correct in all material respects as of such specific earlier date; provided, however, that the condition to Closing set forth in this Section 8.03(b) shall be deemed to be satisfied unless individually or in the aggregate, the effect of all breaches, inaccuracies and failures of such representations and warranties to be true and correct in all respects would reasonably be expected to result in a Buyer Material Adverse Effect; and

(c) Sellers shall have received a certificate signed by an executive officer of Buyer with respect to the items set forth in Sections 8.03(a) and (b);

(d) Buyer shall have delivered or be prepared to deliver all of the items required by Section 2.08(b) and all other items required to be delivered by Buyer as of the Closing Date pursuant to the terms and conditions of this Agreement; and

(e) The Bidding Procedures Order shall have been entered on the docket of the Bankruptcy Court as soon as practicable and no later than the Bidding Procedures Order Deadline.

(f) The Sale Order shall have been entered on the docket of the Bankruptcy Court as soon as practicable and no later than the Sale Order Deadline and shall have become a Final Order by the Final Order Deadline.

## ARTICLE 9 TERMINATION

**Section 9.01 Grounds for Termination.** Subject to the penultimate sentence of this Section 9.01, this Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of the Sellers and Buyer;

(b) by either the Sellers or Buyer if the Closing shall not have been consummated on or before October 31, 2018 (the “*End Date*”); *provided, however*, that if the Closing shall not have occurred on or before such date due to a material breach of any representation, warranty, covenants or agreements contained in this Agreement by Buyer, on one hand, or the Sellers, on the other, then the breaching Party may not terminate this Agreement pursuant to this Section 9.01(b);

(c) by either the Sellers or Buyer if there shall be any Applicable Law that makes consummation of the Transactions illegal or otherwise prohibited or if consummation of the Transactions would violate any nonappealable final order, decree or judgment of any Governmental Authority having competent jurisdiction;

(d) by Buyer if:

(i) the Sellers shall have failed to perform or comply with any of their covenants or agreements or shall have breached any of their representations and warranties, such that the conditions set forth in Section 8.02(a) or Section 8.02(b) shall not be satisfied, and the Sellers shall have not cured such breaches and failures within fifteen (15) days after receipt of written notice from Buyer with the result that such condition remains unsatisfied;

(ii) any condition set forth in Section 8.01 or Section 8.02 shall have become incapable of being satisfied by the End Date;

(iii) the Sellers fail to consummate the Transactions, Buyer has otherwise complied with all of Buyer’s obligations under this Agreement, and all of the conditions contained in Section 8.01 and Section 8.03 have been satisfied;

(iv) any event has caused a Sellers Material Adverse Effect;

(v) the Bankruptcy Cases are dismissed or converted to cases under Chapter 7 of the Bankruptcy Code or the Bankruptcy Court enters a Final Order appointing a trustee or an examiner with expanded powers (beyond those set forth under Section 1106(a)(3) of the Bankruptcy Code) in the Bankruptcy Cases prior to the Closing Date;

(vi) if any of the following deadlines shall have been missed; *provided, however*, that the deadline set forth in Section 9.01(d)(vi)(A) shall

be subject to the Bankruptcy Court's docket, and accordingly, (I) shall be deemed extended through the date of the hearing set by the Bankruptcy Court for consideration of the applicable pleading if, after using reasonable efforts, the Sellers are unable to obtain a docket setting for such hearing prior to such deadline, (II) shall be deemed extended through the date(s) of any continued hearing set by the Bankruptcy Court for consideration of such pleading if, after using reasonable efforts, the Sellers are unable to conclude such hearing(s) prior to such deadline, and (III) shall be deemed extended as required to comply with any notice periods required under the Bankruptcy Code which, as a result of any extensions described under the foregoing clauses (I) and (II), cannot be complied with prior to such deadline:

(A) the Bidding Procedures Order is not entered by the Bidding Procedures Deadline;

(B) the Auction is not conducted by the Auction Deadline;

(C) the hearing to approve the Transactions is not conducted by the Sale Hearing Deadline;

(D) the Sale Order is not entered by the Sale Order Deadline;

(E) the Sale Order does not become a Final Order by the End Date, unless the Sale Order is entered by the End Date but is not stayed by order of the Bankruptcy Court or of some other federal district or appeals court;

(F) the Bankruptcy Court enters an order for the appointment of a trustee or examiner with managerial powers, other than at the request of the Buyer or any of its Affiliates, under Section 1104 of the Bankruptcy Code and such trustee or examiner takes any action to interfere with or impair the Transactions;

(G) the Bankruptcy Cases are converted to cases under Chapter 7 of the Bankruptcy Code, dismissed, or any similar commencement of liquidation proceedings relating to the Sellers occurs, other than as contemplated herein;

(H) any of the Sellers executes an Alternative Agreement or takes affirmative steps to effect an Alternative Transaction; *provided* that this Agreement may not be terminated pursuant to this clause if and for so long as Buyer is the Back-Up Bidder; or

(I) Buyer is not the Winning Bidder at the Auction pursuant to the Bidding Procedures Order; *provided* that this Agreement may not be terminated pursuant to this clause if and for so long as Buyer is the Back-Up Bidder; or

(e) by the Sellers:

(i) if Buyer shall have failed to perform or comply with any of its covenants or agreements or shall have breached any of its representations and warranties, such that the conditions set forth in Section 8.03(a) or Section 8.03(b) shall not be satisfied, and Buyer shall have not cured such breaches and failures within fifteen (15) days after receipt of written notice from the Sellers with the result that such condition remains unsatisfied;

(ii) if any condition set forth in Section 8.01 or Section 8.03 shall have become incapable of being satisfied by the End Date;

(iii) the Sale Order does not become a Final Order by the End Date, unless the Sale Order is entered by the End Date but is not stayed by order of the Bankruptcy Court or of some other federal district or appeals court;

(iv) if any of the Sellers executes an Alternative Agreement or consummates an Alternative Transaction; or

(v) if Buyer is not the Winning Bidder at the Auction pursuant to the Bidding Procedures Order; *provided* that this Agreement may not be terminated pursuant to this clause if and for so long as Buyer is the Back-Up Bidder.

Notwithstanding the foregoing, the Sellers shall not be permitted to terminate this Agreement pursuant to this Section 9.01 if Sellers are in breach of any of their representations and warranties or shall have failed to perform or comply with any of their covenants and agreements such that either (A) the conditions to Closing set forth in Section 8.03(a) and Section 8.03(b) shall not be satisfied or (B) such breach or failure to perform or comply by the Sellers is the primary cause of the occurrence of any event giving Sellers a right to terminate this Agreement or the failure of the Closing to have occurred. Buyer shall not be permitted to terminate this Agreement pursuant to this Section 9.01 if Buyer is in breach of any of its respective representations and warranties or shall have failed to perform or comply with any of its respective covenants and agreements such that either (A) the conditions to closing set forth in Section 8.02(a) and Section 8.02(b) shall not be satisfied or (B) such breach or failure to perform or comply by Buyer is the primary cause of the occurrence of any event giving Buyer a right to terminate this Agreement or the failure of the Closing to have occurred.

### **Section 9.02 Effect of Termination.**

(a) If any Party terminates this Agreement pursuant to Section 9.01 (other than pursuant to Section 9.01(a)), written notice thereof shall be given to the other Parties, specifying the provision of this Agreement pursuant to which termination is made, and all rights and obligations of the applicable Parties under this Agreement shall terminate (other than Section 7.03 and this Section 9.02, the provisions of Article 10 and such portions of Article 1 as are necessary to give effect to the foregoing, all of which shall survive termination of this Agreement).

(b) If this Agreement is terminated for any reason, then the Seller Parent and the Buyer shall promptly direct the Escrow Agent to disburse the Deposit (together with all interest earned thereon) to the Buyer, free and clear of any claims thereon by the Sellers; *provided, however*, if this Agreement is validly terminated by the Sellers pursuant to (i) Section 9.01(e)(i) or Section 9.01(e)(ii) (as a result of any condition set forth in Sections 8.03(a) – (d) having become incapable of being satisfied by the End Date) or (ii) Section 9.01(b) because of the failure of Buyer to close in the instance where, as of the End Date, (A) all of the conditions set forth in Section 8.01 and Section 8.02 (excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied (or waived, or deemed to have been waived, by Buyer), (B) the Sellers are ready, willing and able to close, and (C) Buyer nevertheless elects not to promptly close, then the Sellers shall be entitled to terminate this Agreement and the Seller Parent and the Buyer shall promptly direct the Escrow Agent to disburse the Deposit (together with all interest earned thereon) to the Seller Parent as liquidated damages. THE SELLERS AGREE THAT THE SELLERS' RIGHT TO THE PAYMENT OF THE DEPOSIT (TOGETHER WITH ALL INTEREST THEREON) AS PROVIDED IN THIS SECTION 9.02(b) SHALL BE THE SELLERS' SOLE AND EXCLUSIVE REMEDY AGAINST BUYER OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS, OR REPRESENTATIVES FOR ANY AND ALL ADVERSE CONSEQUENCES THAT MAY BE SUFFERED BY SELLERS BASED ON, RESULTING FROM, OR ARISING OUT OF OR RELATED TO THE TRANSACTIONS OR THIS AGREEMENT, INCLUDING ANY AND ALL ADVERSE CONSEQUENCES THAT MAY BE SUFFERED BASED ON, RESULTING FROM, OR ARISING OUT OF OR RELATED TO THE CIRCUMSTANCES GIVING RISE TO TERMINATION OF THIS AGREEMENT, AND UPON PAYMENT OF THE DEPOSIT (TOGETHER WITH ALL INTEREST EARNED THEREON) TO SELLERS IN ACCORDANCE WITH THIS SECTION 9.02(b), NONE OF BUYER OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES SHALL HAVE ANY FURTHER LIABILITY OR OBLIGATION RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS.

(c) In addition to the remedies in Section 9.02(b), Buyer shall be entitled to the following remedies without further order of the Bankruptcy Court: the Sellers shall promptly pay to Buyer, and Buyer shall be entitled to receive, the Bid Protections if the Agreement is terminated for any reason (other than a valid termination pursuant to Section 9.01(a) or Section 9.01(e)(i)).

(d) Upon termination of this Agreement, Buyer shall destroy or return to the Sellers all data, assessments and/or reports, maps and other information furnished by or on behalf of the Sellers to Buyer or prepared by or on behalf of Buyer in connection with its due diligence investigation of the Sellers, the Acquired Business, the Transferred Assets and the Specifically Assumed Liabilities, and, if Buyer elects to destroy any such information, an officer of Buyer shall certify the destruction of such information to Seller in writing.

**ARTICLE 10**  
**MISCELLANEOUS**

**Section 10.01 Notices.** All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to Buyer:

Fostre, Inc.  
1551 W. Central Avenue  
Temple, TX 76504  
Attention: Dan Akers

with a copy to:

Foley Gardere, Foley & Lardner LLP  
2021 McKinney Avenue, Suite 1600  
Dallas, Texas 75201  
Attention: Marcus Helt  
Facsimile No.: (214) 999-3526

if to the Sellers, to:

Neighbors Legacy Holdings, Inc.  
10800 Richmond Ave.  
Houston, Texas 77042  
Attention: Chief Restructuring Officer  
Facsimile No.: (713) 436-5210

with a copy to:

Porter Hedges LLP  
1000 Main, 36th Floor  
Houston, Texas 77002  
Attention: John F. Higgins  
Facsimile No.: (713) 226-6248

or such other address, facsimile number or electronic mail address as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

**Section 10.02 Survival.** The representations and warranties contained herein and in any certificate or other writing delivered pursuant hereto shall terminate upon and not survive the Closing and there shall be no liability thereafter in respect thereof (it being understood and agreed that no Party shall have the right to bring or assert any action or claim for breach of any representation or warranty herein or in any Transaction Document after the Closing). Each covenant and agreement of the Parties hereto contained in this Agreement shall terminate upon the Closing except to the extent that performance under such covenant or agreement is to take place after Closing; in which case, such covenant shall survive the Closing until the earlier of (i) performance of such covenant or agreement in accordance with this Agreement or, if time for performance of such covenant is specified in this Agreement, 30 days following the expiration of the time period for such performance and (ii) the expiration of applicable statute of limitations with respect to any claim for any failure to perform such covenant; *provided, however*, that if a written notice of claim with respect to any covenant or agreement to be performed after Closing is given prior to the expiration of such covenant or agreement then such covenant or agreement shall survive until, but only for purposes of, the resolution of such claim by final, non-appealable judgment or settlement.

**Section 10.03 Amendments and Waivers.**

(a) Any provision of this Agreement may be amended or waived prior to Closing if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party to this Agreement, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

**Section 10.04 Expenses.** Except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement or the Transactions shall be paid by the Party incurring such cost or expense.

**Section 10.05 Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; *provided, however*, that no Party (other than Buyer) may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of each other Party hereto. Buyer may assign its rights and obligations under this Agreement in whole, but not in part, without Sellers' consent upon ten (10) days' prior written notice to Sellers.

**Section 10.06 Supplementation and Amendment of Schedules.** For the purpose of avoiding any misunderstanding, the Sellers may, at their option, supplement the Schedules hereto in order to reflect any additional matters which, if existing, occurring or known as of the Execution Date, would have been required to be set forth or described in the Schedules (each, a "*Schedule Supplement*"). Any disclosure in any such Schedule Supplement shall not be deemed

to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of Buyer's termination rights contained in Section 9.01(d) or of determining whether or not the conditions set forth in Section 8.02 have been satisfied. The inclusion of any item in the Schedules, or any references to dollar amounts, will not be deemed to be an acknowledgement or representation that such item is material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. Information provided in one Schedule hereto will suffice, without repetition or cross reference, as a disclosure of such information in any other Schedule hereto to which its relevance is reasonably apparent on its face.

**Section 10.07 Governing Law.** THE AGREEMENT AND ALL ACTIONS, CAUSES OF ACTION, OR CLAIMS OF ANY KIND (WHETHER AT LAW, IN EQUITY, IN CONTRACT, IN TORT, OR OTHERWISE) THAT MAY BE BASED UPON, ARISE OUT OF, OR RELATE TO THIS AGREEMENT, OR THE NEGOTIATION, EXECUTION, OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY ACTION, CAUSE OF ACTION, OR CLAIM OF ANY KIND BASED UPON, ARISING OUT OF, OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN, IN CONNECTION WITH, OR AS AN INDUCEMENT TO THIS AGREEMENT), SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

**Section 10.08 Jurisdiction.** Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to the Transaction Documents and the Transactions exclusively in (a) the Bankruptcy Court so long as the Bankruptcy Cases remain open and (b) after the close of the Bankruptcy Cases or in the event that the Bankruptcy Court determines that it does not have jurisdiction, the United States District Court for the Southern District of Texas or any Texas State court sitting in Houston (together with the Bankruptcy Court, the "*Chosen Courts*"), and solely in connection with claims arising under this Agreement or any other Transaction Document or the Transactions (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto, and (iv) agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 10.01.

**Section 10.09 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 10.10 Counterparts; Effectiveness; Third Party Beneficiaries.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by all of the other Parties hereto. Until and unless each Party has received a counterpart hereof signed by the other Party hereto, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written

agreement or other communication). Notwithstanding anything to the contrary in this Agreement, delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by facsimile or email attachment shall be effective as delivery of a manually executed counterpart of this Agreement or such amendment, as applicable. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the Parties hereto and their respective successors and assigns.

**Section 10.11 Entire Agreement.** This Agreement, the other Transaction Documents, the Bidding Procedures Order, and the Sale Order constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof and thereof.

**Section 10.12 Severability.** If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; and in lieu of each such invalid, void or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such invalid, void or unenforceable provision as may be valid, binding and enforceable.

**Section 10.13 Time of Essence.** Time is of the essence in the performance of this Agreement, except as otherwise expressly provided herein.

**Section 10.14 Closing Actions.** All deliveries, payments, and other transactions and documents relating to the Closing shall be interdependent, and none shall be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent to the Closing).

**Section 10.15 Conflict Between Transaction Documents.** The Parties agree and acknowledge that to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition, or provision of any other agreement or document referred to herein, this Agreement shall govern and control.

**Section 10.16 Time Periods.** Unless specified otherwise, any action required hereunder to be taken within a certain number of days shall be taken within that number of calendar days (and not Business Days); provided, however, that if the last day for taking such action falls on a day that is not a Business Day, the period during which such action may be taken shall be automatically extended to the next Business Day.

**Section 10.17 Certain Acknowledgements and Limitations.**

(a) Any and all duties and obligations which any Party may have to any other Party with respect to or in connection with this Agreement, the other Transaction Documents or the Transactions are limited to those specifically set forth in this Agreement and the other Transaction Documents. Neither the duties nor obligations of any Party, nor the rights of any Party, shall be expanded beyond the terms of this Agreement and the other Transaction

Documents on the basis of any legal or equitable principle or on any other basis whatsoever. Neither any equitable or legal principle nor any implied obligation of good faith or fair dealing nor any other matter requires any Party to incur, suffer or perform any act, condition or obligation contrary to the terms of this Agreement and the other Transaction Documents, whether or not existing and whether foreseeable or unforeseeable. Each of the Parties acknowledges that it would be unfair, and that it does not intend, to increase any of the obligations of the other Party on the basis of any implied obligation or otherwise.

**(b) BUYER ACKNOWLEDGES AND AGREES THAT IT HAS CONDUCTED ITS OWN INDEPENDENT DUE DILIGENCE INVESTIGATION, REVIEW AND ANALYSIS OF THE SELLERS, THE TRANSFERRED ASSETS, THE SPECIFICALLY ASSUMED LIABILITIES AND THE ACQUIRED BUSINESS IN CONNECTION WITH THE TRANSACTIONS AND HAS BEEN PROVIDED ACCESS TO THE PERSONNEL, PROPERTIES, ASSETS, PREMISES, BOOKS AND RECORDS, AND OTHER DOCUMENTS AND DATA OF THE SELLERS AND THE ACQUIRED BUSINESS FOR SUCH PURPOSE.**

**(c) EXCEPT IN THE CASE OF INTENTIONAL FRAUD, BUYER AGREES THAT, (I) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES MADE BY THE SELLERS THAT ARE EXPRESSLY SET FORTH IN ARTICLE 3 OF THIS AGREEMENT, NEITHER THE SELLERS, NOR ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES HAVE MADE AND SHALL NOT BE DEEMED TO HAVE MADE TO BUYER OR TO ANY OF THEIR REPRESENTATIVES ANY REPRESENTATION OR WARRANTY OF ANY KIND, (II) EACH OF THE SELLERS EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES, AND (III) BUYER ACKNOWLEDGES AND AGREES THAT NEITHER BUYER NOR ITS REPRESENTATIVES HAVE RELIED UPON ANY SUCH REPRESENTATIONS OR WARRANTIES.**

**(d) EXCEPT AS OTHERWISE EXPRESSLY SPECIFIED IN THIS AGREEMENT, THE TRANSFERRED ASSETS AND ACQUIRED BUSINESS OF SELLERS ARE BEING ACQUIRED BY BUYER AT THE CLOSING AS A RESULT OF THIS AGREEMENT AND THE TRANSACTIONS SHALL BE ACQUIRED BY BUYER ON AN "AS IS, WHERE IS" BASIS AND IN THEIR THEN PRESENT CONDITION, AND BUYER SHALL RELY SOLELY UPON ITS OWN EXAMINATION THEREOF. IN ANY EVENT, EXCEPT AS EXPLICITLY SET FORTH HEREIN, NONE OF SELLERS OR ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES, AS THE CASE MAY BE, HAS MADE OR IS MAKING ANY REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE OF ANY TRANSFERRED ASSET OR THE ACQUIRED BUSINESS BEING SO ACQUIRED, OR ANY WARRANTY OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR QUALITY, WITH RESPECT TO ANY OF THE TANGIBLE ASSETS BEING SO ACQUIRED, OR AS TO THE CONDITION OR WORKMANSHIP THEREOF, OR AS TO THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT. BUYER ACKNOWLEDGES AND AGREES THAT NEITHER BUYER NOR ITS REPRESENTATIVES HAVE RELIED**

**UPON ANY REPRESENTATIONS OR WARRANTIES THAT ARE DISCLAIMED BY THE SELLERS IN THIS SECTION 10.17.**

**(e) EXCEPT IN THE CASE OF INTENTIONAL FRAUD, THE SELLERS AGREE THAT (I) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES MADE BY BUYER THAT ARE EXPRESSLY SET FORTH IN ARTICLE 4 OF THIS AGREEMENT, NEITHER BUYER, NOR ANY OF ITS AFFILIATES OR ANY OF THEIR REPRESENTATIVES HAVE MADE AND SHALL NOT BE DEEMED TO HAVE MADE TO SELLERS OR TO ANY OF THEIR RESPECTIVE STOCKHOLDERS, PARTNERS, MEMBERS OR REPRESENTATIVES ANY REPRESENTATION OR WARRANTY OF ANY KIND, (II) BUYER EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES, AND (III) SELLERS ACKNOWLEDGE AND AGREE THAT NEITHER SELLERS NOR THEIR REPRESENTATIVES HAVE RELIED UPON ANY SUCH REPRESENTATIONS OR WARRANTIES.**

**(f) NO PERSON HAS BEEN AUTHORIZED BY THE SELLERS TO MAKE ANY REPRESENTATION OR WARRANTY RELATING TO THE SELLERS OR THEIR BUSINESS OR OPERATIONS OR ASSETS, OR OTHERWISE IN CONNECTION WITH THE TRANSACTIONS EXCEPT FOR THOSE CONTAINED HEREIN AND, IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON.**

**(g) NO PERSON HAS BEEN AUTHORIZED BY BUYER TO MAKE ANY REPRESENTATION OR WARRANTY RELATING TO BUYER OR ITS BUSINESSES OR OPERATIONS, OR OTHERWISE IN CONNECTION WITH THE TRANSACTIONS EXCEPT FOR THOSE CONTAINED HEREIN AND, IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON.**

**(h) EXCEPT IN THE CASE OF INTENTIONAL FRAUD, UNDER NO CIRCUMSTANCES SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE FOR ANY SPECIAL, EXEMPLARY, PUNITIVE, REMOTE, SPECULATIVE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LIABILITIES ARISING OUT OF ANY ACTUAL, ALLEGED OR INTENTIONAL BREACH OF THIS AGREEMENT, INCLUDING LOSS OF REVENUE OR INCOME, DAMAGES BASED ON ANY MULTIPLIER OF PROFITS OR OTHER VALUATION METRIC, COST OF CAPITAL, DIMINUTION OF VALUE OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY, AND NO CLAIM SHALL BE MADE OR AWARDED AGAINST ANY PARTY TO THIS AGREEMENT THEREFOR.**

*[Signatures continued on following page]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**SELLERS:**

NEC PORT ARTHUR EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

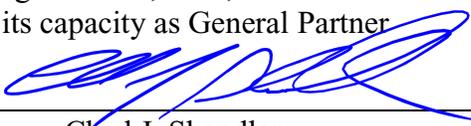
NEC MIDLAND EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

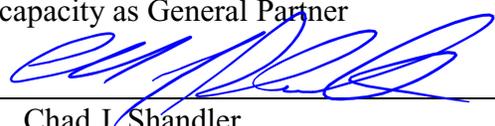
NEC ODESSA EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC AMARILLO EMERGENCY CENTER, LP

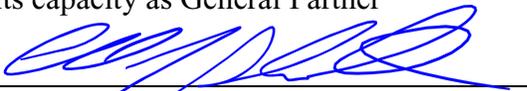
By: Neighbors GP, LLC,  
in its capacity as General Partner

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

**SELLERS, Continued:**

NEC EASTSIDE EMERGENCY CENTER, LP

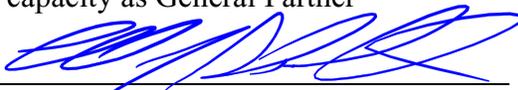
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC BROWNSVILLE EMERGENCY CENTER, LP

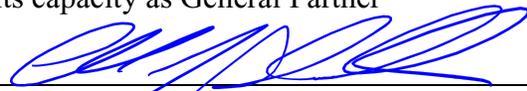
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC HARLINGEN EMERGENCY CENTER, LP

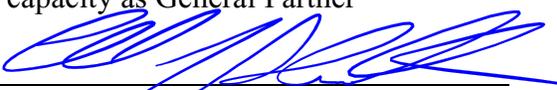
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC MUELLER EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

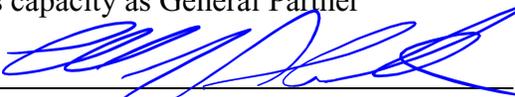
By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

**SELLERS, Continued:**

NEC ORANGE EMERGENCY CENTER, LP

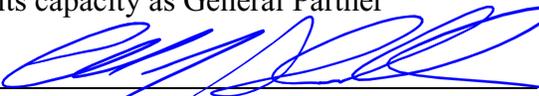
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC TEXARKANA EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC MCALLEN EMERGENCY CENTER, LP

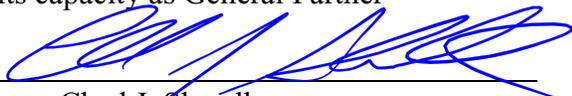
By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC LUBBOCK EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

**SELLERS, Continued:**

NEC PARIS EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEC BEAUMONT ASSET HOLDINGS, LLC

By: 

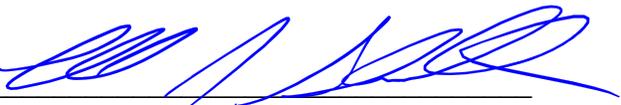
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS LEGACY HOLDINGS, INC.

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS GLOBAL HOLDINGS, LLC

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

NEIGHBORS HEALTH, LLC

By: 

Name: Chad J. Shandler  
Title: Chief Restructuring Officer

**SELLERS, Continued:**

EDMG, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

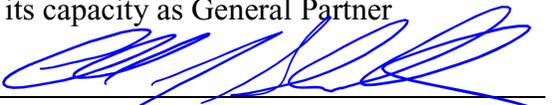
NEIGHBORS PRACTICE MANAGEMENT, LLC

By:   
Name: Chad J. Shandler  
Title: Chief Restructuring Officer

**SELLERS, Continued:**

NEC BEAUMONT EMERGENCY CENTER, LP

By: Neighbors GP, LLC,  
in its capacity as General Partner

By: 

Name: Chad J. Shandler

Title: Chief Restructuring Officer

**BUYER:**

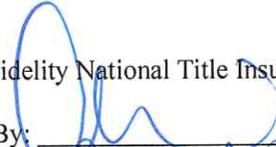
FOSTRE, INC.

By:   
Name: J Flint Smith MD  
Title: President

**RECEIPT**

On this day, July 25<sup>th</sup>, 2018, the undersigned Escrow Agent acknowledges receipt of: (a) the Asset Purchase Agreement affixed hereto; and (b) a cash deposit in the amount of \$500,000.00. By its signature below, the Escrow Agent hereby agrees to be bound by the terms of Section 2.05 and 2.06 of the Asset Purchase Agreement and, to the extent required to give effect thereto, Article 10 of the Asset Purchase Agreement.

Escrow Agent: Fidelity National Title Insurance Company

By:   
Name: Stephen J. Robin  
Title: Title Agent

Address: 1900 West Loop South  
Suite 200  
Houston, Texas 77027

## **EXHIBIT A**

### **Facility Locations**

1. *Port Arthur*, 3300 Hwy 365, Port Arthur, Texas 77642
2. *Midland*, 5409 West Wadley Avenue, Midland, Texas 79707
3. *Odessa*, 2713 North Grandview Ave., Odessa, Texas 79762
4. *Amarillo*, 2105 S. Western Street, Amarillo, Texas 79109
5. *Eastside*, 12101 Edgemere Blvd., El Paso, Texas 79938
6. *Brownsville*, 2073 E. Ruben Torres Sr. Blvd., Brownsville, Texas 78526
7. *Beaumont*, 4755 Eastex Freeway, Beaumont, Texas 77706
8. *Harlingen*, 1725 Ed Carey, Harlingen, Texas 78550
9. *Mueller*, 1801 East 51st St., Bldg. H, Austin, Texas 78723
10. *Orange*, 1321 North 16th Street, Orange, Texas 77630
11. *Texarkana*, 2001 Mall Drive, Texarkana, Texas 75503
12. *McAllen*, 6700 North 10th Street, McAllen, Texas 78504
13. *Lubbock*, 4337 50th Street, Lubbock, Texas 79413
14. *Paris*, 3055 NE Loop 286, Paris, Texas 75460

**EXHIBIT B**

**Bidding Procedures and Sale Motion**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re:

§  
§ Chapter 11

NEIGHBORS LEGACY HOLDINGS, INC.,  
*et al.*,

§  
§ Case No. 18-33836 (MI)  
§ (Jointly Administered)

Debtors.<sup>1</sup>

§  
§

**DEBTORS' EMERGENCY MOTION (I) FOR ENTRY OF AN ORDER  
(A) APPROVING AUCTION AND BID PROCEDURES, INCLUDING BID  
PROTECTIONS, AND (B) AUTHORIZING AND SCHEDULING AN AUCTION FOR  
THE SALE OF THE DEBTORS' ASSETS; AND (II) FOR ENTRY OF AN ORDER (A)  
APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL  
LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, AND (B) AUTHORIZING  
THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES**

**THIS MOTION SEEKS ENTRY OF AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**

**EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.**

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors' principal place of business and the Debtors' service address is: 10800 Richmond Avenue, Houston, Texas 77042.

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEYS.**

The debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”) file this Motion (the “Bid Procedures and Sale Motion”) for (I) an Order (A) Approving Auction and Bid Procedures, Including Bid Protections, and (B) Authorizing and Scheduling an Auction for the Sale of the Debtors’ Assets (the “Bid Procedures Order”); and for (II) an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (B) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases (the “Sale Order”). In support of the Motion, the Debtors rely upon the Declaration of Chad J. Shandler in Support of Chapter 11 Petitions and First Day Pleadings (the “First Day Declaration”). In further support of the Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

**PRELIMINARY STATEMENT**

1. The Debtors have undertaken a robust six-month prepetition marketing process, which resulted in formal bids for various of the Debtors’ assets. The Debtors anticipate a sale of substantially all of their assets in two, or more, separate asset packages (each, an “Asset Package”). To date, the Debtors have negotiated one asset purchase agreement (the “Stalking Horse Agreement”) for the sale of substantially all of the Debtors’ Houston-area centers with Altus Health Systems OPCO, LLC, and Altus Health System Realty, LLC (collectively, the “Stalking Horse Bidder,” and collectively with any other stalking horse bidder that may be subsequently designated as provided herein, the “Stalking Horse Bidders”). Any Stalking Horse Bidder’s offer remains subject to higher and better bids at auction. To induce the Stalking Horse Bidder to serve as the “stalking horse” bidder in the sale process, the Debtors have agreed to

certain bid procedures and protections, including break-up fees. The Debtors seek court approval of these procedures and bid protections as set forth below.

2. The Debtors seek the immediate entry of the Bid Procedures Order, attached as **Exhibit A**, establishing the bid procedures related to an auction of the Debtors' assets, approving the form of the Stalking Horse Agreement and the bid protections being granted to the Stalking Horse Bidder, scheduling a hearing to approve the proposed sale, and establishing notice procedures related to the assumption and assignment of executory contracts and unexpired leases.

3. In this Motion, the Debtors also seek entry of the Sale Order approving the proposed sale to the Stalking Horse Bidder on the terms set forth in the Stalking Horse Agreement or to the highest and/or best bid received at auction and authorizing the assumption and assignment of certain executory contracts and unexpired leases.

### **JURISDICTION AND VENUE**

4. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This matter is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. § 1408.

5. The legal predicates for the relief requested herein are Bankruptcy Code sections 105, 363, 365, 503, and 507 and Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

## **BACKGROUND**

### **A. General Background**

6. On July 12, 2018 (the “Petition Date”), the Debtors each commenced a case by filing a petition for relief under Chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors have requested that the Chapter 11 Cases be jointly administered.

7. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

8. To date, no creditors’ committee has been appointed in the Chapter 11 Cases by the Office of the United States Trustee for the Southern District of Texas (the “United States Trustee”). No trustee or examiner has been appointed in the Chapter 11 Cases.

9. The Debtors currently operate 22 freestanding emergency centers (the “Emergency Centers”) throughout the State of Texas, including in South Texas, El Paso, the Golden Triangle, the Permian Basin, the Panhandle, and the greater Houston area. The Debtors’ Emergency Centers are designed to offer an attractive alternative to traditional hospital emergency rooms by reducing wait times, providing better working conditions for physicians and staff, and giving patient care the highest possible priority.

10. The Debtors’ original parent was founded in 2008, and the first Neighbors Emergency Center opened in 2009. At their peak, the Debtors operated 33 Emergency Centers across three states. In recent years, the Debtors have experienced financial difficulties caused in large part by increased competition, less favorable insurance payor conditions, declining revenues, and disproportionate overhead costs as compared to their operating income. These challenges have caused significant strain on the Debtors’ liquidity and threatened their ability to continue operating as a going concern. Prepetition, the Debtors engaged professionals and

explored various out-of-court solutions, including closing unprofitable Emergency Centers and downsizing their corporate overhead. Ultimately, the Debtors' out-of-court restructuring efforts were unsuccessful and the Debtors elected to commence these Chapter 11 Cases.

11. In August 2017, the Debtors retained Chad J. Shandler of CohnReznick LLP ("CohnReznick") to serve as the Debtors' chief restructuring officer ("CRO") and, on January 2, 2018, the Debtors retained Houlihan Lokey, Inc. ("Houlihan") as the investment banker to market the Debtors' assets.

12. Thereafter, Houlihan and the Debtors began a marketing process that included, among other things:

- a. Establishing a data room with relevant documents about the Debtors' businesses, financial status and operations;
- b. Negotiating and executing non-disclosure agreements with interested parties;
- c. Preparing a Confidential Information Presentation ("CIP");
- d. Approaching strategic and financial buyers with industry and/or "special situations" experience;
- e. Approaching Neighbors Class A and B interest holders that had expressed an interest in participating in the sale process;
- f. Marketing the Debtors 1) as an entire portfolio, 2) by individual market, and 3) by individual facility;
- g. Having numerous informal discussions with bidders regarding the Debtors' business and bidder due diligence;
- h. Holding management presentations with parties;
- i. Conducting site visits with parties;
- j. Analyzing bids, selecting the Stalking Horse Bidder, and negotiating the Stalking Horse Agreement.

13. Houlihan initially contacted 126 parties. 61 parties signed non-disclosure agreements and were granted access to the data room established by Houlihan. Thereafter, the

Debtors and Houlihan solicited indications of interest (“IOI”) with a deadline of February 16, 2018. Eighteen parties submitted an IOI, ranging from interest in a whole-system bid to bids on specific Emergency Centers. Houlihan and the Debtors spent a substantial amount of time providing feedback and guidance to parties that submitted an IOI. The Debtors and Houlihan further provided supplemental due diligence and had numerous telephone conferences, in person meetings, management presentations, and site visits at the Debtors’ headquarters in Houston or at various Emergency Centers.

14. The Debtors’ counsel, with input from Houlihan, prepared a form of asset purchase agreement to serve as the baseline agreement for all bidders. Stalking horse candidates were required to provide a draft stalking horse agreement marked against the Debtors’ version by April 9, 2018. The Debtors received five formal bids. Two bids were whole-system bids for substantially all of the Debtors’ assets and the remaining three bids were for specific regions.

15. After evaluating all of the bids and consulting with their advisors and with KeyBank, the Debtors selected Altus Health Systems OPCO, LLC and Altus Health System Realty, LLC as the Stalking Horse Bidder for all Houston-area locations. A copy of the Stalking Horse Agreement, which is expressly subject to higher and better offers, is attached as **Exhibit B**. In connection with the Stalking Horse Agreement, and in order to maximize the ultimate purchase price for their assets, the Debtors agreed to seek approval of sale procedures, form of Stalking Horse Agreement, and form of notice and certain bid protections as more fully set forth below.

## **RELIEF REQUESTED**

### **A. The Bid Procedures, Form of Stalking Horse Agreement, and Form of Notice**

16. The Debtors seek approval of the form of Stalking Horse Agreement attached as **Exhibit B**. The Debtors also seek approval of the bid procedures attached as **Exhibit C** (the “Bid Procedures”).

17. The Bid Procedures are designed to maximize value for the Debtors’ estates, while ensuring an orderly sale process consistent with the timeline available to the Debtors under the Stalking Horse Agreement and the terms of the Debtors’ agreed use of cash collateral and proposed post-petition financing. The Bid Procedures are the result of good faith, arm’s length negotiations with each Stalking Horse Bidder. The Bid Procedures are transparent and represent a fair balance of the competing issues present in this case.

### **B. Notice Relating to Potential Assumption and Assignment of Executory Contracts and Unexpired Leases**

18. As part of the Sale, the Debtors seek authority to assume and assign certain executory contracts and/or unexpired leases (the “Desired 365 Contracts”) to the Stalking Horse Bidder or other successful bidders.

19. With respect to the Desired 365 Contracts, the Debtors respectfully request approval of the following notice procedures:

- a. No later than 10 (ten) days prior to the Sale Hearing, the Debtors will file with the Court and serve on each party to a Desired 365 Contract a notice setting forth the amount of cure owed thereunder according to the Debtors’ books and records (the “Cure Notice”). The Cure Notice shall state the cure amount that the Debtors believe is necessary to assume such contract or lease pursuant to Bankruptcy Code section 365 (the “Cure Amount”), and notify each party that such party’s lease or contract may be assumed and assigned to the successful bidder to be identified at the conclusion of the Auction.
- b. No later than five (5) days prior to the Sale Hearing, any objection to the Cure Amount must be filed with the Court (the “Cure Objection”).

Deadline”). Any objection to the Cure Amount must state with specificity what cure the party to the Desired 365 Contract believes is required with appropriate documentation in support thereof. If no objection is timely received, the Cure Amount set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any Desired 365 Contract or other document as of the date of the Cure Notice; the non-debtor party to the Desired 365 Contract shall be deemed to have stipulated that the Cure Amount set forth in the Cure Notice is correct; the non-debtor party shall be forever barred, estopped and enjoined from asserting or claiming against the Debtors or the Stalking Horse Bidder that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Desired 365 Contract or that there is any objection or defense to the assumption and assignment of such Desired 365 Contract, including any argument that there exist conditions to assumption and assignment that must be satisfied under such Desired 365 Contract or that any required consent to assignment has not been given; and the non-debtor party to such Desired 365 Contract shall be forever barred from objecting to the adequacy of the Stalking Horse Bidder’s adequate assurance of future performance and that there exists any other basis on which to object to such assumption and assignment.

### **C. Breakup Fee, Expense Reimbursement, and Minimum Overbid**

20. In connection with approval of the Stalking Horse Agreement, the Debtors seek approval of a Breakup Fee and/or Expense Reimbursement, as applicable under the Stalking Horse Agreement, or subsequent Stalking Horse Agreements that may be negotiated by the Debtors (collectively the “Bid Protections”). Specifically, in the event that the Debtors consummate an alternative transaction, which would include a sale of the Purchased Assets to any party other than a Stalking Horse Bidder, or fail to conduct the Auction or sell the Purchased Assets in compliance in all material respects with the Bid Procedures Order, the Debtors shall pay the respective Stalking Horse Bidder the Breakup Fee and Expense Reimbursement, as applicable. In the event that a Stalking Horse Bidder terminates a Stalking Horse Agreement based on a material breach of the Stalking Horse Agreement by the Debtors, the Debtors shall be liable for and shall pay to the respective Stalking Horse Bidder the Bid Protections.

21. The Debtors believe that the Bid Protections are appropriate under the circumstances as a cost of ensuring that the Debtors' bankruptcy estates maximize value for the Purchased Assets, while also providing the Debtors with the opportunity to continue their marketing efforts. The Debtors seek approval to provide a Breakup Fee and Expense Reimbursement under a Stalking Horse Agreement that does not exceed an aggregate of 5%. The Debtors believe that the Bid Protections are reasonable for a transaction of the type and size contemplated, and in light of the attendant risks present in this case.

22. The determination of whether a stalking horse fee/expense arrangement should be allowed is based on whether the fees and expenses are necessary to preserve the value of the estate. *In re O'Brien Environmental Energy, Inc.*, 181 F.3d 527, 534 (3d Cir. 1999). Courts have evaluated such arrangements under the business judgment rule standard. *See In re ASARCO, LLC*, 650 F.3d 593 (5th Cir. 2011) (affirming bankruptcy court's decision to apply the business judgment rule to evaluate whether an expense reimbursement bid protection was permissible); *see also In re ASARCO LLC*, 441 B.R. 813, 826 (S.D. Tex. 2010) (explaining three-part test used to determine whether expense reimbursement was permissible under business judgment rule); *Cottle v. Storer Communications, Inc.*, 849 F.2d 570 (11th Cir. 1988); *CRTF Corp. v. Federated Dep't Stores*, 683 F.Supp. 422 (S.D.N.Y. 1988); *Official Comm. Of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 657 (S.D.N.Y. 1992), *appeal dismissed* by 3 F.3d 49 (2d Cir. 1993); *see also In re Twenver, Inc.*, 149 B.R. 954 (Bankr. D. Colo. 1992). The considerations that underlie a debtor's business judgment to pay a break-up fee or expense reimbursement are relevant to the Court's determination of the request. *Id.*

23. It is well-established that “[a] bankruptcy court should uphold a break-up fee which was not tainted by self-dealing and was the product of arm’s-length negotiations.” *In re Integrated Res., Inc.*, 147 B.R. at 658. In the instant case, the proposed Bid Protections have been the product of good faith, arm’s-length negotiations between the Debtors and the Stalking Horse Bidder. The proposed Bid Protections are within the spectrum of “break-up fees” approved by bankruptcy courts in chapter 11 cases throughout the country. *See e.g., In re Cobalt International Energy, Inc., et al.*, Case No. 17-36709 (MI) (Bankr. S.D. Tex. Jan. 25, 2018) (court authorized payment of Bid Protections up to an aggregate of 3% of the purchase price), *In re Stone Energy Corp., et al.*, Case No. 16-36390 (court approved break-up fee of 3% and expense reimbursement of 1%) (MI) (Bankr. S.D. Tex. Jan. 18, 2017) (same), *In re Enron Corp.*, Case No. 01-16034 (Bankr. S.D.N.Y. April 8, 2004) (court approved break-up fee equal to 5% of the purchase price); *In re TransCom USA Management Co., L.P.*, Case No. 01-35158 (KKB) (Bankr. S.D. Tex. February 12, 2002) (court approved a break-up fee of more than 3.6% of the purchase price for the assets); *In re Samson Resources Corp.*, Case No. 15-11934 (Bankr. D. Del. 2016) (authorizing, for multiple stalking horse agreements, breakup fees of 1 and 1.5% and expense reimbursements of 3 and 3.5%).

**D. The Sale of Assets is an Exercise of the Debtors’ Sound Business Judgment**

24. Bankruptcy Code section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate; however, bankruptcy courts in this District and elsewhere have required that the authorization of such use, sale, or lease of property of the estate out of the ordinary course of business be based upon sound business justification. *See Institutional Creditors of Continental Air Lines, Inc v. Continental Air Lines, Inc., et al. (In re Continental Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor,

creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *see also In re Asarco*, 650 F.3d at 601; *In re Cowin*, No. 13-30984, 2014 WL 1168714, at \*38 (Bankr. S.D. Tex. Mar. 21, 2014); *In re St. Marie Clinic PA*, No. 10-70802, 2013 WL 5221055, at \*9 (Bankr. S.D. Tex. Sept. 17, 2013); *In re Particle Drilling Techs., Inc.*, No. 09-33744, 2009 WL 2382030, at \*2 (Bankr. S.D. Tex. July 29, 2009); *In re San Jacinto Glass Indus., Inc.*, 93 B.R. 934, 944 (Bankr. S.D. Tex. 1988). Once the Debtors articulate a valid business justification, “[t]he business judgment rule is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.” *In re S.N.A. Nut Co.*, 86 B.R. 98 (Bankr. N.D. Ill. 1995); *see also In re Integrated Res., Inc.*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“ . . . a presumption of reasonableness attaches to a Debtor’s management decisions.”).

25. The Debtors have a sound business justification for selling the Purchased Assets under the terms of the Stalking Horse Agreement, and pursuant to a competitive-Bidding Process consistent with the Bidding Procedures.

26. The Debtors submit that the Stalking Horse Agreement (or, if the Stalking Horse Bidder is not the prevailing bidder, an alternative bid resulting from the Bidding Procedures) will constitute the highest and best offer for the Purchased Assets, and will provide a greater recovery for the Debtors’ estates than would be provided by any other available alternative. The Debtors’ determination to sell the Purchased Assets under the terms of the Stalking Horse Agreement (or through a competitive Bidding Process as provided for in the Bidding Procedures) is a valid and sound exercise of the Debtors’ business judgment.

27. Accordingly, the Debtors believe that they have proposed a fair process for obtaining the highest and best offer and sale of the Purchased Assets for the benefit of the Debtors' estates and their creditors.

**E. Request to Approve Sale Free and Clear Pursuant to 11 U.S.C. § 363(f)**

28. By this Motion, the Debtors also request that the Court approve the sale of the Purchased Assets to the Stalking Horse Bidder or the successful bidder pursuant to Bankruptcy Code sections 105, 363, and 365. This portion of the relief is requested to be entered after the Sale Hearing, pursuant to a form of Sale Order to be filed prior to the Sale Hearing. The Debtors submit that the sale of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement, or such agreement as the Debtors may reach with the successful bidder, is in the best interest of the Debtors' estates and should be approved.

29. A debtor should be authorized to sell assets out of the ordinary course of business pursuant to Bankruptcy Code section 363 and prior to obtaining a confirmed plan or reorganization if it demonstrates a sound business purpose for doing so. *See, e.g., Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983); *see also In re Gulf Oil Corp.*, 404 B.R. 407 (Bankr. S.D. Tex. 2009). Factors considered in approving a sale outside of plan include (i) the business justification, (ii) the amount of elapsed time since the filing date, (iii) whether the proposed bid procedures and Stalking Horse Agreement facilitate competitive bidding, (iv) whether the assets have been aggressively marketed, (v) the likelihood that a plan will be confirmed in the near future, (vi) the effect of disposition on the future plan, and (vii) whether the assets are increasing or decreasing in value. *Id.*

30. Together with Houlihan, the Debtors began a formal marketing process in January 2018. The Debtors and Houlihan aggressively marketed the Debtors' assets for sale before agreeing on the Stalking Horse Agreement. The disposition of the Purchased Assets will not control the terms of a future plan. Further, a timely sale is important in this case in order to preserve the continuity of services to the Debtors' patients.

31. The Debtors request that the Court approve the sale of the Purchased Assets free and clear of all liens, claim, and encumbrances. In evaluating such a sale, a court must balance the need for flexibility with the concern of affected creditors. *In re Terrace Gardens Park P'ship*, 96 B.R. 707, 715 (Bankr. W.D. Tex. 1989). The Court must also determine that creditors' lien rights are adequately protected and that the offered price is the highest price and/or best terms obtainable under the circumstances in the particular case. *Id.*; *In re Beker Indus. Corp.*, 63 B.R. 474, 477–78 (Bankr. S.D.N.Y. 1986).

32. The Debtors maintain that one of the five subsections of section 363(f) will be satisfied and, therefore, the Debtors may sell the Purchased Assets free and clear of all liens, claims, and encumbrances. Specifically, the Debtors submit that any such lien, claim, or encumbrance will be adequately protected by attachment to the net proceeds of the sale, subject to any claims and defenses the Debtors may possess with respect thereto and/or the Debtors will obtain the consent of the party holding the lien, claim or encumbrance. Accordingly, the Debtors request that the Purchased Assets be sold to the Stalking Horse Bidder or the successful bidder free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances attaching to the proceeds of the sale of the Purchased Assets.

**F. Authorization of Assumption and Assignment of Executory Contracts and Unexpired Leases**

33. To enhance the value to the Debtors of the proposed sale, the Debtors request approval under Bankruptcy Code section 365 of the Debtors' assumption and assignment of the Desired 365 Contracts to the Stalking Horse Bidder or the successful bidder. The Debtors further request that the Sale Order provide that the Desired 365 Contracts will be transferred to, and remain in full force and effect for the benefit of, the Stalking Horse Bidder or the successful bidder notwithstanding any provisions in the Desired 365 Contracts, including those described in Bankruptcy Code sections 365(b)(2) and (f)(1) and (3) that prohibit such assignment.

34. Adequate assurance of future performance depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." *EBG Midtown S. Corp. v. McLaren/Hart Env. Eng'g Corp. (In re Sanshoe Worldwide Corp.)*, 139 B.R. 585, 593 (S.D.N.Y. 1992); *In re Rachels Indus., Inc.*, 109 B.R. 797, 803 (Bankr. W.D. Tenn. 1990); *see also In re Prime Motor Inns Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994) ("[a]lthough no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance."). Adequate assurance may be provided by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *See, e.g., In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance is present when prospective assignee of lease from debtor has financial resources and has expressed willingness to devote sufficient funding to business to give it strong likelihood of succeeding).

35. The Debtors will present facts at the Sale Hearing to show the financial credibility, willingness, and ability of the Stalking Horse Bidder or the successful bidder to perform under the Desired 365 Contracts. The Sale Hearing thus will afford the Court and other

interested parties the opportunity to evaluate the ability of the Stalking Horse Bidder or the successful bidder to provide adequate assurance of future performance under the Desired 365 Contracts, as required under Bankruptcy Code section 365(b)(1)(C). Further, as set forth above, the Debtors will give notice to all parties to the Desired 365 Contracts of their intention to assume the Desired 365 Contracts and what the Debtors believe are the Cure Amounts. Accordingly, the Court should authorize the Debtors to assume and assign the Desired 365 Contracts to the Stalking Horse Bidder or the successful bidder.

36. Accordingly, the Debtors request that the Court (i) enter the Bid Procedures Order; (ii) schedule the Sale Hearing to consider the Sale Order; and (iii) grant the Debtors other just relief.

**WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(h)**

37. Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of 14 (fourteen) days after the entry of the order, unless the court orders otherwise.” Here, an expeditious closing of a sale is necessary and appropriate to maximize value for the estates and is a requirement under the Debtors’ post-petition financing. Accordingly, the Debtors request that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

38. Accordingly, the Debtors request that the Court (i) enter the Bid Procedures Order; (ii) schedule the Sale Hearing to consider the Sale Order; and (iii) grant the Debtors other just relief.

### **NOTICE**

39. Notice of this Motion shall be given to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to mtashman@reedsmith.com and llm@reedsmith.com, counsel to KeyBank National Association in its capacity as Agent and DIP Agent; (d) the United States Attorney's Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) any party known to have asserted a Lien on the Purchased Assets; (g) all known affected federal, state, and local regulatory, and taxing authorities; (h) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; and (j) any party required to be served under Bankruptcy Local Rule 9013-1(d) (the parties listed in (a) - (j) above, the "Notice Parties"). Due to the nature of the relief requested, the Debtors submit that no other or further notice need be provided.

### **CONCLUSION**

40. The Debtors respectfully request that the Court enter the Bidding Procedures Order now and the Sale Order after the Sale Hearing and granting such other and further relief as is just and proper.

Dated: Houston, Texas  
July 12, 2018

**PORTER HEDGES LLP**

By: /s/ John F. Higgins  
John F. Higgins  
State Bar No. 09597500  
Eric M. English  
State Bar No. 24062714  
Aaron J. Power  
State Bar No. 24058058  
Genevieve M. Graham  
State Bar No. 24085340  
1000 Main Street, 36th Floor  
Houston, Texas 77002  
Telephone: (713) 226-6000  
Fax: (713) 228-1331

**PROPOSED COUNSEL FOR DEBTORS  
AND DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

I certify that on July 12, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System in the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Eric. M. English* \_\_\_\_\_

Eric M. English

**EXHIBIT C**

**Bidding Procedures Order**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

<b>In re:</b>  <b>NEIGHBORS LEGACY HOLDINGS, INC.,  <i>et al.</i></b>  <b>Debtors.<sup>1</sup></b>	§ § <b>Chapter 11</b> § § <b>Case No. 18-33836 (MI)</b> § § <b>(Jointly Administered)</b> §
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**ORDER (A) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF DEBTORS’ ASSETS AND (B) APPROVING AUCTION AND BID PROCEDURES, INCLUDING PAYMENT OF BID PROTECTIONS**

[Related to Docket No. \_\_]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)<sup>2</sup> for (i) entry of an order (a) authorizing and scheduling an auction for the sale of Debtors’ Assets and (b) approving auction bid procedures, including payment of bid protections. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion. The relief requested by the Motion is in the best interests of the Debtors, their estates, creditors, stakeholders, and other parties in interest and the Debtors’ gave sufficient and proper notice of the Motion and related hearings. Upon consideration of the Motion and after hearing and considering all evidence in support of the Motion during proceedings before this Court, the Court finds that good cause exists to grant the requested relief.

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> Except as otherwise provided in this Order, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1. Pursuant to Bankruptcy Rule 7052, made applicable by Bankruptcy Rule 9014, the Court makes the following **FINDINGS OF FACT AND CONCLUSIONS OF LAW**:

a. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion.

b. Notice of the Motion and any related hearings was sufficient and complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules. Notice of the Motion has been given to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com) and [llim@reedsmith.com](mailto:llim@reedsmith.com), counsel to KeyBank National Association in its capacity as Agent and DIP Agent; (d) the United States Attorney's Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) any party known to have asserted a Lien on the Purchased Assets; (g) all known affected federal, state, and local regulatory, and taxing authorities; (h) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; and (j) any party required to be served under Bankruptcy Local Rule 9013-1(d). No further notice of the Motion, any related hearings, or this Order is necessary or required.

c. The Bid Procedures were proposed by the Debtors in good faith with the goal of maximizing the value of the Business and the Assets for the benefit of all creditors of their estates.

d. Approval of any reimbursement or breakup fee and entry of this Order is (i) a necessary and appropriate inducement to the Stalking Horse Bidder (1) to make an initial offer which will serve as a “floor” for further bidding, and (2) to enter into the Stalking Horse Agreement(s) and consummate the transactions contemplated thereby, and (ii) a condition precedent to closing the transactions contemplated by the Stalking Horse Agreement(s).

**IT IS THEREFORE ORDERED THAT**

1. The Motion is granted to the extent set forth in this Order. Any objections to the Motion that have not been resolved or withdrawn are hereby overruled on the merits. The Bid Procedures, attached as **Exhibit A**, are hereby approved and shall be used in connection with the proposed sale of the Assets. The form of Stalking Horse Agreement attached to this Order as **Exhibit B** is approved.

2. Objections (if any) to approval of the Stalking Horse Bidder as the party submitting the Highest and Best Bid or to approval of a proposed sale of the Assets to the Stalking Horse Bidder, shall be in writing, shall set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with the Court and served upon each of the following so as to be actually received on or before \_\_:00 a.m. (local time in Houston, Texas) on \_\_\_\_\_, 2018: (i) counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, Attention: John F. Higgins, Esq. (email: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)) and Eric M. English, Esq. (email: [eenglish@porterhedges.com](mailto:eenglish@porterhedges.com)),

and (ii) counsel to the Stalking Horse Bidder, Attention: Anwar-i-Qadeer, Esq. (email: [qadeer@qadeerlaw.com](mailto:qadeer@qadeerlaw.com)).

3. Objections (if any) to approval of any party other than the Stalking Horse Bidder as the party submitting the Highest and Best Bid or to approval of the proposed sale of the Assets to a party other than the Stalking Horse Bidder, shall be in writing, shall set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with the Court and served upon each of the following so as to be actually received on or before \_\_:00 a.m. (local time in Houston, Texas) on \_\_\_\_\_, 2018: (i) counsel to the Debtors, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, Attention: John F. Higgins, Esq. (email: [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com)) and Eric M. English Esq. (email: [eenglish@porterhedges.com](mailto:eenglish@porterhedges.com)), and (ii) counsel to the Stalking Horse Bidder, Attention: Anwar-i-Qadeer, Esq. (email: [qadeer@qadeerlaw.com](mailto:qadeer@qadeerlaw.com)).

4. Any objection not filed and served in accordance with the preceding two paragraphs shall be deemed waived and shall be forever barred.

5. The failure of any third party to file and serve an objection to the sale as ordered and directed herein shall be deemed the consent of such party to the granting of the Motion and the sale and transfer of the Assets.

6. No later than 10 (ten) days prior to the Sale Hearing, the Debtors will file with the Court and serve on each non-debtor party to an executory contract or unexpired lease a notice setting forth the amount of cure owed thereunder according to the Debtors' books and records (the "Cure Notice"). The Cure Notice shall state the cure amount that the Debtors believe is necessary to assume such contract or lease pursuant to Bankruptcy Code section 365 (the "Cure Amount"), and notify each non-debtor party that such party's lease or contract may be assumed

and assigned to the Stalking Horse Bidder or to the successful bidder to be identified at the conclusion of the Auction.

7. No later than five (5) days prior to the Sale Hearing, any objection to the Cure Amount must be filed with the Court (the “Cure Objection Deadline”). Any objection to the Cure Amount must state with specificity what cure the non-debtor party to the executory contract or unexpired lease believes is required with appropriate documentation in support thereof. If no objection is timely received, the Cure Amount set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any executory contract, unexpired lease or other document as of the date of the Cure Notice; the non-debtor party to the executory contract or unexpired lease shall be deemed to have stipulated that the Cure Amount set forth in the Cure Notice is correct; the non-debtor party shall be forever barred, estopped and enjoined from asserting or claiming that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such contract or lease or that there is any objection or defense to the assumption and assignment of such contract or lease, including any argument that there exist conditions to assumption and assignment that must be satisfied under such contract or lease or that any required consent to assignment has not been given.

8. Following entry of this Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment, to select one or more bidders to act as a stalking horse bidder as set forth in the Bid Procedures.

9. In the event that the Debtors consummate an Alternative Transaction (as such term is defined in the Stalking Horse Agreement(s)), which would include a sale of the Purchased Assets to any party other than a Stalking Horse Bidder, or fail to conduct the Auction or sell the Purchased Assets in compliance in all material respects with the Bid Procedures

Order, the Debtors are directed to incur and pay the Bid Protections, in accordance with the Bidding Procedures, in connection with any stalking horse agreement with a Stalking Horse Bidder if the Debtors Determine that the Bid Protections is in the best interest of the Debtors' estates. To the extent a determination is made to provide for and pay the Bid Protections, the Debtors will file a notice of such determination, and such Bid Protections may be paid without further action or order by the Court.

10. The Bid Procedures and the Bid Protections are fair and reasonable, are reasonably calculated to produce the best and highest offers for the Assets, and will confer actual benefits upon the Debtors' estates. The Bid Procedures and the Bid Protections represent an exercise of the Debtors' sound business judgment and will facilitate an orderly sale process.

11. The Debtors shall serve a copy of this Order as contemplated in the Motion.

Dated: Houston, Texas  
\_\_\_\_\_, 2018

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**THE HONORABLE MARVIN ISGUR**  
**UNITED STATES BANKRUPTCY JUDGE**

**EXHIBIT D**

**Sale Order**

See attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

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In re:	§
	§ Chapter 11
	§
NEIGHBORS LEGACY HOLDINGS, INC., <i>et al.</i> ,	§ Case No. 18-_____
	§
Debtors. <sup>1</sup>	§ (Jointly Administered)
	§

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**ORDER (A) APPROVING THE SALE OF DEBTORS’ NON-HOUSTON ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF (NON-HOUSTON CENTERS)**  
[Relates to Docket No. \_\_\_]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)<sup>2</sup> for entry of an order (this “Order”), among other things, (a) approving the sale (the “Sale”) of Debtors’ non-Houston assets free and clear of all liens, claims, encumbrances, and interests, to Express ER (or any permitted assignee pursuant to the terms of the Purchase Agreement, the “Buyer”), pursuant to the Asset Purchase Agreement between the Debtors and the Buyer for, dated as of July     , 2018 (as such agreement has been heretofore and may hereafter be amended, restated or supplemented, including as modified during the Auction, the “Purchase Agreement”), a copy of which (including all exhibits and schedules thereof) is attached hereto as Exhibit A and is incorporated herein by reference as if set forth herein, free

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<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Purchase Agreement (as defined herein), as applicable; *provided* that in the event of any conflict with respect to the meaning of a capitalized term between the Motion and the Purchase Agreement, the meaning ascribed to such term in the Purchase Agreement shall control.

and clear of all Liens, Claims, and Interests (each as defined herein); and (b) authorizing the assumption and assignment of executory contracts and unexpired leases; and the Debtors having filed the *Notice of Sale Hearing* [Docket No.       ] (the “Notice of Sale Hearing”) stating that the Debtors would conduct an auction (the “Auction”) for the Assets in the event that the Debtors received a Qualified Bid prior to the Bid Deadline; and the Debtors having filed the Notice of Prevailing Bid and Back-Up Bid of Debtors’ Assets [Docket No.   ] (the “Notice of Prevailing Purchaser”) identifying the Buyer as the Prevailing Purchaser for the Assets in accordance with the Bid Procedures Order; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors and their estates, their creditors, their equity interest holders, and all other parties in interest; and the Court having reviewed the Motion and having heard the statements and evidence in support of the relief requested therein at a hearing before the Court that commenced on       , 2018, where the Court considered entry of the Bid Procedures Order (the “Bid Procedures Hearing”) and the hearing before the Court that commenced on       , 2018, where the Court considered entry of this Order (the “Sale Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion, at the Bid Procedures Hearing, and at the Sale Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, Pursuant to Bankruptcy Rule 7052, made applicable by Bankruptcy Rule 9014, the Court makes the following **FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

**Jurisdiction and Venue**

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. Without limiting the generality of the foregoing, this Court has exclusive *in rem* jurisdiction over

the Assets pursuant to 28 U.S.C. § 1334(e), as such Assets are property of the Debtors' chapter 11 estates, and, as a result of such jurisdiction, this Court has all necessary power and authority to grant the relief contained herein. This matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N), and (O). Venue in this district is allowed under 28 U.S.C. § 1408.

### **Statutory Predicates**

B. The statutory and other legal bases for the relief requested in the Motion are sections 105(a), 363, and 365 of the Bankruptcy Code, as supplemented by Bankruptcy Rules 2002, 6004, 6006, 9007, 9008 and 9014. The consummation of the transactions contemplated by the Purchase Agreement and this Order (collectively, the "Transactions") is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and the Debtors and the Buyer and its affiliates have complied with all of the applicable requirements of such sections and rules in respect of the Transactions.

### **Notice**

C. As evidenced by the affidavits and/or certificates of service filed with the Court,<sup>3</sup> proper, timely, adequate, and sufficient notice of, *inter alia*, the Motion, the Bid Procedures,<sup>4</sup> the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs (as defined below), the Sale Hearing, and all deadlines related thereto, has been provided, as relevant, in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008 and 9014, and in compliance with the Bid Procedures Order to all creditors, parties-in-interest, and other interested persons and entities.

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<sup>3</sup> Such affidavits and/or certificates of service were filed by the Debtors on the docket of these cases at Docket Nos. \_\_, \_\_, \_\_, \_\_.

<sup>4</sup> For the avoidance of doubt, the term "Bid Procedures" in this Order shall mean the Bid Procedures approved by the Bid Procedures Order.

D. In accordance with the Bid Procedures Order, the Debtors served the Cure Notice on each of the non-Debtor counterparties to the Desired 365 Contracts. The service of the Cure Notice was sufficient under the circumstances and in full compliance with the Bid Procedures Order, and no further notice need be provided in respect of the Debtors' assumption and assignment to the Buyer of the Desired 365 Contracts or the Cure Costs. All non-Debtor counterparties to the Desired 365 Contracts have had an adequate opportunity to object to the assumption and assignment of the Desired 365 Contracts and the Cure Costs.

E. The notice described in the foregoing paragraphs is good, sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the Bid Procedures, the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto is or shall be required.

### **Marketing and Sale Process**

F. The Sale of the Assets to the Buyer is duly authorized pursuant to sections 363(b)(1) and 363(f) of the Bankruptcy Code and Bankruptcy Rule 6004(f). As demonstrated by (i) testimony and other evidence proffered or adduced at the Bid Procedures Hearing and the Sale Hearing and (ii) the representations of counsel made on the record at the Bid Procedures Hearing and the Sale Hearing, the Debtors and their professionals, agents, and other representatives have marketed the Assets and conducted all aspects of the sale process in good faith and, where applicable, in compliance with the Bid Procedures and the Bid Procedures Order. The marketing process undertaken by the Debtors and their professionals, agents and other representatives with respect to the Assets has been adequate and appropriate and reasonably calculated to maximize value for the benefit of all stakeholders. The Bid Procedures

and the Auction were duly noticed, were substantively and procedurally fair to all parties, and were conducted in a diligent, non-collusive, fair and good-faith manner. The Purchase Agreement constitutes the best and highest offer for the Assets.

G. The Bid Deadline passed at 5:00 p.m. (prevailing Central Time), on \_\_\_\_\_, 2018. The Debtors conducted an Auction on \_\_\_\_\_, 2018 in accordance with the Bid Procedures and Bid Procedures Order. Pursuant to the terms of the Bid Procedures, the Transaction contemplated by the Purchase Agreement was the highest and best bid for the Assets at the Auction and, therefore, was designated as the Highest and Best Bid. On \_\_\_\_\_, 2018, the Debtors filed the Notice of Prevailing Purchaser identifying the Buyer as the Successful Bidder submitting the Highest and Best Bid for the Assets in accordance with the Bid Procedures Order. As established by the record of the Bid Procedures Hearing and the Sale Hearing, the bidding and related procedures established by the Bid Procedures Order have been complied with in all material respects by the Debtors and the Buyer and all of its affiliates. The Bid Procedures afforded a full, fair and reasonable opportunity for Qualified Bidders to make a higher or otherwise better offer to purchase the Assets, and no such offer was received by the Debtors.

#### **Corporate Authority**

H. The Assets constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section 541 of the Bankruptcy Code. The Debtors (i) have full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby, and the Sale to the Buyer has been duly and validly authorized by all necessary corporate action, (ii) have all of the corporate power and authority necessary to consummate the Sale and the Transactions contemplated by the Purchase Agreement, (iii) have

taken all corporate action necessary to authorize and approve the Purchase Agreement and the consummation by the Debtors of the Sale and the Transactions contemplated thereby, and (iv) require no consents or approvals, other than those expressly provided for in the Purchase Agreement, to consummate the Transactions.

**Highest and Best Offer; Business Judgment**

I. The Debtors have demonstrated a sufficient basis to enter into the Purchase Agreement, sell the Assets on the terms outlined therein, and assume and assign the Desired 365 Contracts to the Buyer under sections 363 and 365 of the Bankruptcy Code. All such actions are appropriate exercises of the Debtors' business judgment and are in the best interests of the Debtors, their creditors, their equity interest holders, their estates and other parties in interest. Approval of the Sale pursuant to the Purchase Agreement at this time is in the best interests of the Debtors, their creditors, their equity interest holders, their estates, and all other parties in interest.

J. The offer of the Buyer, upon the terms and conditions set forth in the Purchase Agreement, including the total consideration to be realized by the Debtors thereunder, (i) is the highest and best offer received by the Debtors as a result of its marketing process, including through the Bid Procedures and the Auction, (ii) is in the best interests of the Debtors, their creditors, their equity interest holders, their estates and other parties in interest, and (iii) constitutes full and adequate consideration, is fair and reasonable and constitutes reasonably equivalent value, fair consideration, and fair value for the Assets under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, and under the laws of the United States, any state, territory, possession, or the District of Columbia. Taking into consideration all relevant factors and

circumstances, no other person or entity has offered to purchase the Assets for greater economic value to the Debtors or their estates.

K. There has been no showing that any of the Debtors or Buyer (i) has entered into the Purchase Agreement or proposes to consummate the Transactions for the purposes of hindering, delaying, or defrauding the Debtors' present or future creditors or (ii) is entering into the Purchase Agreement or proposing to consummate the Transactions fraudulently, for the purpose of statutory or common law fraudulent conveyance or fraudulent transfer claims, whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof or the District of Columbia or any other applicable jurisdiction with laws substantially similar to the foregoing.

L. The sale of the Assets outside a chapter 11 plan pursuant to the Purchase Agreement neither impermissibly restructures the rights of the Debtors' creditors or equity interest holders nor impermissibly dictates the terms of a chapter 11 plan of the Debtors. The sale of the Assets does not constitute a *sub rosa* chapter 11 plan.

#### **Opportunity to Object**

M. A reasonable opportunity to object or be heard with respect to the Motion, the Bid Procedures, the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto has been afforded to all creditors, equity holders, parties-in-interest, and other interested persons and entities.

#### **Good Faith Purchaser; Arm's Length Sale**

N. The Purchase Agreement was negotiated, proposed, and entered into by the Debtors and the Buyer without collusion, in good faith, and from arm's length bargaining

positions. Neither the Debtors, the Buyer, nor any parent or affiliate of the Buyer has engaged in any conduct that would cause or permit the Purchase Agreement or the Sale to be avoided or otherwise challenged under section 363(n) of the Bankruptcy Code.

O. The Buyer is a good-faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

P. Neither the Buyer nor any of its affiliates, members, officers, directors, shareholders or any of its or their respective successors or assigns is an “insider” or “affiliate” of any of the Debtors, as those terms are defined in sections 101(31) and 101(2) of the Bankruptcy Code, and the Buyer and its professionals, agents and other representatives have complied in all respects with the Bid Procedures Order and all other applicable orders of this Court with respect to the Purchase Agreement. The Purchase Agreement complies with the Schedule and Procedures Order and all other applicable orders of this Court.

#### **Free and Clear Transfer Required by Buyer**

Q. If the Debtors did not sell the Assets free and clear of all Liens, Claims, and Interests, such a sale would have yielded substantially lower value for the Debtors’ estates, with less certainty than the Sale. The Buyer would not have submitted a bid, entered into the Purchase Agreement, and would not consummate the Sale, thus adversely affecting the Debtors, their estates, their creditors, and their equity interest holders if each of the Sale and the assumption and assignment of the Desired 365 Contracts to the Buyer were not free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, or if the Buyer would, or in the future could, be liable for any liabilities other than as agreed in the Purchase Agreement. For the avoidance of doubt, neither the Buyer nor any of its affiliates shall have any responsibility

whatsoever with respect to the Retained Liabilities, which shall remain the responsibility of the Debtors before, on, and after the Closing.

R. As of the Closing, pursuant and subject to the terms of the Purchase Agreement and this Order, the transfer of the Assets and the Sale will effect a legal, valid, enforceable, and effective transfer of the Assets and will vest the Buyer with all of the Debtors' rights, title, and interests in the Assets free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever except for the Specifically Assumed Liabilities.

**Satisfaction of Section 363(f)**

S. The Debtors may sell the Assets free and clear of any and all Liens, Claims, and Interests of any kind or nature whatsoever, including any rights or claims based on any putative successor or transferee liability, as set forth herein, because, in each case, one or more of the standards set forth in section 363(f)(1)–(5) of the Bankruptcy Code has been satisfied. All parties in interest, including, without limitation, any holders of Liens, Claims, and/or Interests, and any non-Debtor counterparties to the Desired 365 Contracts, who did not object, or who withdrew their objection, to the Sale, the Motion, the assumption and assignment of the applicable Desired 365 Contract or the associated Cure Cost are deemed to have consented to the relief granted herein pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Liens, Claims, or Interests and non-Debtor parties to Desired 365 Contracts that did not object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code or are adequately protected by having their Liens, Claims, or Interests, if any, attach to the portion of the Sale Proceeds (as defined below) received by the Debtors ultimately attributable to the Assets against which they assert an interest, in the order of their priority, with the same validity, force

and effect, if any, which they now have against such Assets, subject to any claims and defenses the Debtors or their estates may possess with respect thereto.

**No Successorship**

T. Neither the Buyer nor any of its affiliates are successors to the Debtors or their estates by reason of any theory of law or equity, and neither the Buyer nor any of its affiliates shall assume or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates, except as otherwise expressly provided in the Purchase Agreement.

**Assigned Contracts and Assigned Leases**

U. The Debtors have demonstrated (i) that it is an exercise of their sound business judgment to assume the Desired 365 Contracts and assign them to the Buyer in each case in connection with the consummation of the Sale and (ii) that the assumption and assignment of the Desired 365 Contracts to the Buyer is in the best interests of the Debtors, their estates, their equity interest holders, their creditors, and other parties in interest. The Desired 365 Contracts being assigned to the Buyer are an integral part of the Assets being purchased by the Buyer and, accordingly, such assumption, assignment and cure of any defaults under the Desired 365 Contracts are reasonable and enhance the value of the Debtors' estates. Each and every provision of the Desired 365 Contracts or applicable non-bankruptcy law that purport to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any Desired 365 Contract have been satisfied or are otherwise unenforceable under section 365 of the Bankruptcy Code. Any non-Debtor counterparty to a Desired 365 Contract that has not actually filed with the Court an objection to such assumption and assignment in accordance with the terms of the Motion is deemed to have consented to such assumption and assignment.

**Cure Costs and Adequate Assurance**

V. The Debtors and the Buyer, as applicable, have, including by way of entering into the Purchase Agreement and agreeing to the provisions relating to the Desired 365 Contracts therein, (i) cured, or provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Desired 365 Contracts within the meaning of section 365(b)(1)(A) of the Bankruptcy Code and (ii) provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Desired 365 Contracts within the meaning of section 365(b)(1)(B) of the Bankruptcy Code, and the Buyer has, based upon the record of these proceedings, including the evidence proffered by the Debtors at the Bid Procedures Hearing and the Sale Hearing, provided adequate assurance of its future performance of and under the Desired 365 Contracts pursuant to sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code. The Buyer's promise under the Purchase Agreement to perform the obligations under the Desired 365 Contracts after the Closing shall constitute adequate assurance of future performance under the Desired 365 Contracts being assigned to the Buyer within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code. The Cure Costs are hereby found to be the sole amounts necessary to cure any and all defaults under the Desired 365 Contracts under section 365(b) of the Bankruptcy Code and, upon payment of the portion of the Cure Costs with respect to which they are liable under the Purchase Agreement, pursuant to section 365(k) of the Bankruptcy Code, the Debtors shall have no further liability under the Desired 365 Contracts whatsoever other than to the Buyer pursuant to the Purchase Agreement.

**Time Is of the Essence; Waiver of Stay**

W. Time is of the essence in consummating the Sale. In order to maximize the value of the Assets, it is essential that the sale and assignment of the Assets occur within the time constraints set forth in the Purchase Agreement. Accordingly, there is cause to waive the stays contemplated by Bankruptcy Rules 6004 and 6006.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

**Objections Overruled**

1. All objections to the entry of this Order or to the relief granted herein, whether filed, stated on the record before this Court which could have been raised but were not or otherwise, which have not been withdrawn, waived, or settled, and all reservations of rights included therein, are denied and overruled on the merits. All objections to the entry of this Order or to the relief granted herein that were not timely filed are hereby forever barred.

2. Notice of the Motion, the Bid Procedures, the Auction, the Sale (and the Transactions contemplated in connection therewith), the assumption and assignment to the Buyer of the Desired 365 Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.

**Approval of the Purchase Agreement**

3. The Purchase Agreement, including all of the terms and conditions thereof, is hereby approved. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors are authorized to sell the Assets to the Buyer subject to the terms of the Purchase Agreement and this Order and take any and all actions necessary to fulfill their obligations under, and comply with the terms of, the Purchase Agreement and to consummate the Sale pursuant to and in accordance with the terms and conditions of the Purchase Agreement and this Order, without

further leave of the Court. The Debtors are further authorized to pay, without further order of this Court, whether before, at, or after the Closing, any expenses or costs that are required to be paid in order to consummate the Transactions contemplated by the Purchase Agreement or perform their obligations under the Purchase Agreement, including breakup fees reimbursement expenses, etc. owed to the Stalking Horse Bidder (as defined in the Bid Procedures).

4. The Debtors are authorized, in accordance with the Purchase Agreement, to execute and deliver, and empowered to perform under, consummate, and implement, the Purchase Agreement, together with all additional instruments, documents, and other agreements that may be reasonably necessary or desirable to implement the Purchase Agreement, and to take all further actions as may be reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Assets, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement.

5. Subject to the terms and conditions of this Order, all entities that are in possession of some or all of the Assets on the Closing Date are directed to surrender possession of such Assets to the Buyer or its assignee on the Closing Date.

6. The Buyer and the Debtors have no obligation to proceed with the Closing unless and until all conditions precedent to their respective obligations to do so, as set forth in the Purchase Agreement, have been met, satisfied or waived in accordance with the terms of the Purchase Agreement.

7. Upon consummation of the Sale, all cash proceeds of the Sale (the "Sale Proceeds") shall be paid to the DIP Agent and, thereafter, to the Agent, to be applied to the obligations owing under their applicable credit facilities, provided that upon the Closing, the

Debtors shall be permitted to retain a portion of the sale proceeds sufficient to satisfy all costs and expenses set forth in a revised Budget to be reasonably acceptable to the DIP Agent and the Agent covering the time period from the Closing until the effective date of any plan confirmed by the Court. All Liens, Claims, and Interests will attach to the Sale Proceeds to the same extent and with the same priority as existed prior to consummation of the Sale.

8. At the conclusion of the Auction, [NAME OF BACK-UP BIDDER] (the “Back-up Bidder”) was chosen by the Debtors to be the Back-up Bidder (as defined in the Bid Procedures). In the event the Buyer fails to close the Sale, the Debtors shall have the right to terminate the Purchase Agreement and accept the bid of the Back-up Bidder. In the event the Debtors accept the bid of the Back-up Bidder, the Debtors shall be permitted to close a sale to the Back-Up Bidder without further order from this Court.

#### **Binding Effect of Order**

9. This Order and the Purchase Agreement shall be binding upon all creditors of, and equity interest holders in, the Debtors and any and all other parties in interest, including, without limitation, any and all holders of Liens, Claims, and Interests (including holders of any rights or claims based on any putative successor or transferee liability) of any kind or nature whatsoever, all non-Debtor parties to the Desired 365 Contracts, the Buyer, the Debtors and their affiliates and subsidiaries, and any trustee or successor trustee appointed in the Debtors’ Chapter 11 Cases or upon a conversion to chapter 7 under the Bankruptcy Code or any subsequent bankruptcy that may be filed by the Debtors. The Purchase Agreement and the Transactions are not subject to rejection or avoidance (whether through any avoidance, fraudulent transfer, preference or recovery, claim, action or proceeding arising under chapter 5 of the Bankruptcy Code or under any similar state or federal Law or any other cause of action) by the Debtors, any chapter 7 or chapter 11 trustee of the Debtors’ bankruptcy estates or any other person or entity. The Purchase

Agreement, this Order, and the Debtors' obligations therein and herein shall not be altered, impaired, amended, rejected, discharged or otherwise affected by any chapter 11 plan proposed or confirmed in these bankruptcy cases, any order confirming any chapter 11 plan, or any subsequent order of this Court without the prior written consent of the Buyer, to the extent of any conflict between this Order or the Purchase Agreement and such future plan or order, the terms of this Order and the Purchase Agreement shall control.

**Amendments to the Purchase Agreement**

10. The Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, supplemented or restated by the parties thereto in a writing signed by both parties and in accordance with the terms thereof, without further order of this Court, provided that any such modification, amendment, supplement or restatement does not have a material adverse effect on the Debtors' estates.

**Transfer of the Assets Free and Clear**

11. The Buyer shall assume and be liable for only those liabilities expressly assumed by Buyer pursuant to the Purchase Agreement. Except as expressly permitted or otherwise specifically provided for in the Purchase Agreement or this Order, pursuant to sections 105(a), 363(b), 363(f), and 365(b) of the Bankruptcy Code, upon the Closing, the Assets shall be transferred to the Buyer free and clear of any and all Liens, Claims, and Interests of any kind or nature whatsoever. For purposes of this Order, "Liens," "Claims," and "Interests" shall mean:

- a. any and all encumbrances, charges, liens (statutory or otherwise), claims, mortgages, leases, subleases, hypothecations, deeds of trust, pledges, security interests, options, rights of use or possession, rights of first offer or first refusal (or any other type of preferential arrangement), rights of consent, rights of offset, setoff and recoupment, successor liability, interests or rights under any agreement that is not a Desired 365 Contract, encroachments, encumbrances, restrictions on transferability of any type, any dedication under any gathering, transportation, treating, purchasing or similar agreement that is not assumed by or assigned to the Buyer, any

rights that purport to give any party a right or option to effect any forfeiture, modification, right of first offer or first refusal, or consents, or termination of the Debtors' or the Buyer's interest in the Assets, any similar rights, and third-party interests or any other restrictions or limitations of any kind with respect to the Assets (collectively, "Liens");

- b. any and all claims as defined in section 101(5) of the Bankruptcy Code and jurisprudence interpreting the Bankruptcy Code, including, without limitation, (i) any and all claims or causes of action based on or arising under any labor, employment or pension laws, labor or employment agreements, including any employee claims related to worker's compensation, occupational disease, or unemployment or temporary disability, including, without limitation, claims that might otherwise arise under or pursuant to (a) ERISA (as defined below), (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Age Discrimination and Employment Act of 1967 and Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act of 1990, (h) the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, including, without limitation, the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Internal Revenue Code and of any similar state law (collectively, "COBRA"), (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, (k) any other state or federal benefits or claims relating to any employment with the Debtors or any of their predecessors, or (l) the WARN Act (29 U.S.C. §§2101 et seq.), (ii) any rights under any pension or multiemployer plan (as such term is defined in Section 3(37) or Section 4001(a)(3) of the Employee Retirement Income Security Act of 1974 (as amended, "ERISA"), health or welfare, compensation or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plans of the Debtors or any multiemployer plan to which the Debtors have at any time contributed to or had any liability or potential liability, (iii) any and all claims or causes of action based upon or relating to any putative successor or transferee liability, (iv) any rights related to intercompany loans and receivables between the Debtors and any non-Debtor subsidiary or affiliate, (v) any and all claims or causes of action based upon or relating to any unexpired and executory contract or unexpired lease to which a Debtor is a party that is not a Desired 365 Contract that will be assumed and assigned pursuant to this Order and the Purchase Agreement, (vi) any and all claims or causes of action based upon or relating to any bulk sales or similar law, (vii) any and all claims or causes of action based upon or relating to any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, and any taxes arising under or out of, in connection with, or in any way relating to the operation of the Assets prior to the Closing, including, without limitation, any ad valorem taxes assessed by any

applicable taxing authority, and (viii) any and all other claims, causes of action, proceedings, warranties, guaranties, rights of recovery, setoff, recoupment, rights, remedies, obligations, liabilities, counterclaims, cross-claims, third party claims, demands, restrictions, responsibilities, or contribution, reimbursement, subrogation, or indemnification claims or liabilities based on or relating to any act or omission of any kind or nature whatsoever asserted against any of the Debtors or any of their respective affiliates, subsidiaries, directors, officers, agents, successors or assigns in connection with or relating to the Debtors, their operations, their business, their liabilities, the Debtors' marketing and bidding process with respect to the Assets, the Assigned Contracts, the Assets, or the Transactions contemplated by the Purchase Agreement (collectively, "Claims"); and

- c. any and all equity or other interests of any kind or nature whatsoever in or with respect to (x) any of the Debtors or their respective affiliates, subsidiaries, successors or assigns, (y) the Assets, or (z) the Assigned Contracts or Assigned Leases (collectively, "Interests");

whether in law or in equity, known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, direct or indirect, and whether arising by agreement, understanding, law, equity or otherwise, and whether occurring or arising before, on or after the Petition Date, or occurring or arising prior to the Closing. Any and all such Liens, Claims, and Interests shall attach to the portion of the Sale Proceeds received by the Debtors ultimately attributable to the Assets against which they assert an interest, in the order of their priority, with the same validity, force, and effect, if any, which they now have against such Assets, subject to any claims, defenses and objections, if any, that the Debtors or their estates may possess with respect thereto.

12. Upon the occurrence of the Closing Date, except for the express rights and obligations of the Debtors and the Buyer under the Purchase Agreement after the Closing Date, the Debtors, their estates, and their successors or assigns, including any trustee under the Bankruptcy Code, to the extent permitted by law, are hereby deemed to have irrevocably and

unconditionally released, remised, and forever discharged (a) the Buyer and its current and former affiliates, and the Buyer's and its current and former affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, and subsidiaries, and (b) in the case of each person or entity in the foregoing clause (a), each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such, from any and all any and all claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever (including (w) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law, (x) the right to object to or otherwise contest claims or interests, (y) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code, and (z) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code), in each case whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise, including any derivative claims, asserted on behalf of the Debtors that such entity would have been legally entitled to assert (whether individually or collectively) or which the Debtors, their affiliates, their estates, or their successors or assigns might now or subsequently may have, in each case based on or relating to, or in any manner arising from, in whole or in part, the Debtors, their prepetition or

postpetition business or operations, this chapter 11 case, the Assets, the Desired 365 Contracts, the Auction, the Sale, the negotiation and documentation thereof, the transactions contemplated thereby, and the agreements and ancillary documents memorializing and effectuating such sale (including, without limitation, the Purchase Agreement, but excluding the express rights and obligations of the Debtors and the Buyer under the Purchase Agreement after the Closing Date).

### **Vesting of Assets in the Buyer**

13. The transfer of the Assets to the Buyer pursuant to the Purchase Agreement shall constitute a legal, valid, and effective transfer of the Assets on the Closing, and shall vest the Buyer with all of the Debtors' rights, title and interests in the Assets free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever. Upon releasing of any Liens, the Liens will attach to the Sale Proceeds received by the Debtors in the order and priority that existed prior to such releases.

14. The Buyer is hereby authorized in connection with the consummation of the Sale, but subject to the terms of the Purchase Agreement, to allocate the Assets, including the Desired 365 Contracts, among its affiliates, agents, designees, assigns, and/or successors, in a manner as it in its sole discretion deems appropriate, and to assign, lease, sublease, license, sublicense, transfer, or otherwise dispose of any of the Assets, including the Desired 365 Contracts, to its affiliates, designees, assignees and/or successors with all of the rights and protections accorded to the Buyer under this Order and the Purchase Agreement with respect thereto, and the Debtors shall cooperate with and take all actions reasonably requested by the Buyer (at Buyer's expense unless otherwise provided in the Purchase Agreement) to effectuate any of the foregoing.

**Police and Regulatory Power of Governmental Units**

15. Nothing in this Order or the Purchase Agreement releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the owner or operator of property after the date of entry of this Order. Nothing in this Order or the Purchase Agreement authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may deny, revoke, suspend, or refuse to renew any permit, license, or similar grant relating to the operation of the Assets on account of the filing or pendency of these Chapter 11 Cases or, to the extent provided by section 525 of the Bankruptcy Code, the consummation of the Transactions contemplated by the Purchase Agreement, including, without limitation, the Sale and the Debtors' assumption and assignment of the Desired 365 Contracts to the Buyer. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

**Assumption and Assignment of Assigned Contracts and Assigned Leases**

16. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon the Closing, the Debtors' assumption and assignment to the Buyer of the Desired 365 Contracts is hereby approved, and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

17. The Debtors are hereby authorized, in accordance with the Purchase Agreement, and in accordance with sections 105(a) and 365 of the Bankruptcy Code, to (i) assume and assign

to the Buyer the Desired 365 Contracts, effective upon and subject to the occurrence of the Closing, free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, which Desired 365 Contracts, by operation of this Order, shall be deemed assumed and assigned to the Buyer effective as of the Closing, and (ii) execute and deliver to the Buyer such documents or other instruments as the Buyer may deem necessary to assign and transfer the Desired 365 Contracts to the Buyer.

18. Subject to Paragraph 17 hereof:

- a. The Debtors are authorized to and shall assume all of the Desired 365 Contracts in accordance with section 365 of the Bankruptcy Code.
- b. The Debtors are authorized to and shall assign each Desired 365 Contract to the Buyer in accordance with sections 363 and 365 of the Bankruptcy Code, and any provisions in any Desired 365 Contract that prohibit or condition the assignment of such Desired 365 Contract on the consent of the non-Debtor counterparty thereto or allow the non-Debtor counterparty to such Assigned Contract or Assigned Lease to terminate, recapture, impose any penalty, condition, any renewal or extension, require a net worth requirement, or modify any term or condition upon the assignment of such Desired 365 Contract, shall constitute unenforceable anti-assignment provisions which are expressly preempted under section 365 of the Bankruptcy Code and be void and of no force or effect.
- c. All requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption and assignment of the Desired 365 Contracts by the Debtors to the Buyer have been satisfied.
- d. Upon the Closing, the Desired 365 Contracts shall be transferred and assigned to, and remain in full force and effect for the benefit of, the Buyer in accordance with their respective terms, notwithstanding any provision in any such Desired 365 Contract (including those of the type described in sections 365(b)(2), 365(e)(1) and 365(f) of the Bankruptcy Code) that prohibits, restricts, limits, or conditions such assignment or transfer.
- e. After the Debtors' transfer and assignment of the Desired 365 Contracts to the Buyer, in accordance with sections 363 and 365 of the Bankruptcy Code, the Buyer shall be fully and irrevocably vested in all right, title, and interest of each Desired 365 Contract free and clear of Liens, Claims, and Interests, and all non-Debtor counterparties to the Desired 365 Contracts are barred and enjoined from asserting against the Buyer or its assets,

among other things, defaults, breaches or claims of pecuniary losses existing as of Closing or by reason of Closing.

- f. Any portion of any Assigned Lease which purports to permit a landlord thereunder to cancel the remaining term of such Assigned Lease if the Debtors discontinue their use or operation of the leased premises is void and of no force or effect, and shall not be enforceable against the Buyer, or its assignees and sublessees; and the landlords under any such Assigned Lease shall not have the right to cancel or otherwise modify the Assigned Lease or increase the rent, assert any claim or impose any penalty by reason of such discontinuation, the Debtors' cessation of operations, the assignment of such Assigned Lease to the Buyer, or the interruption of business activities at any of the leased premises.
- g. The failure of the Debtors to enforce at any time prior to the Closing Date one or more terms or conditions of any Desired 365 Contract shall not be a waiver of such terms or conditions, or of the Buyer's rights to enforce every term and condition of the Desired 365 Contracts.
- h. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to the Buyer as a result of the assumption, assignment, and sale of the Desired 365 Contracts.

19. All defaults and all other obligations of the Debtors under the Desired 365 Contracts occurring, arising or accruing prior to the assignment thereof to the Buyer at Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) are deemed to have been cured or satisfied by the payment of the proposed amount necessary, if any, to cure all monetary defaults, if any, under each Desired 365 Contract set forth in a Cure Notice (or any other cure cost reached by agreement after an objection to the proposed cure cost by a non-Debtor counterparty to a Desired 365 Contract), which was served in compliance with the Bid Procedures Order, and is set forth on the schedule attached hereto as **Exhibit B** (the "Cure Costs"), and which Cure Costs were satisfied, or shall be satisfied as soon as practicable, by the Debtors or by the Buyer, as the case may be, as provided in the Purchase Agreement. For all Desired 365 Contracts for which a Cure Notice was served, the Debtors and the Buyer, as applicable, are each authorized and directed to

pay their respective portion of all Cure Costs required to be paid by such parties in accordance with the Purchase Agreement upon the Closing. Pursuant to section 365(k) of the Bankruptcy Code, the Debtors and their estates shall be relieved from any liability under any Desired 365 Contract that arises on or after the Closing Date, whether as a result of breach of a Desired 365 Contract on or after the Closing Date or otherwise other than to the Buyer pursuant to the Purchase Agreement.

**No Successorship or Transferee Liability**

20. Neither the Buyer nor any of its affiliates are or shall be deemed, as a result of the consummation of the Transactions contemplated herein, to: (a) be legal successors to the Debtors or their estates by reason of any theory of law or equity, (b) have, *de facto* or otherwise, merged with or into the Debtors, or (c) be an alter ego or a mere continuation or substantial continuation or successor of the Debtors in any respect. Neither the Buyer nor any of its affiliates shall assume or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates, except as otherwise expressly provided in the Purchase Agreement or this Order.

**Modification of the Automatic Stay**

21. The automatic stay provisions of section 362 of the Bankruptcy Code are lifted and modified to the extent necessary to implement the terms and conditions of the Purchase Agreement and the provisions of this Order.

**Release of Liens By Creditors; Collection of Assets**

22. Except as expressly provided to the contrary in this Order or in the Purchase Agreement, each holder of any valid Lien, Claim or Interest against the Assets shall, as of the Closing, be deemed to have waived and released such Lien, Claim or Interest, without regard to whether such holder has executed or filed any applicable release, and such Lien, Claim or Interest shall automatically, and with no further action by any party, attach to the portion of the

Sale Proceeds received by the Debtors ultimately attributable to the Assets against which they assert an interest, in the order of their priority, with the same validity, force, and effect, if any, which they now have against such Assets, subject to any claims, defenses and objections, if any, that the Debtors, their estates, or any other party in interest may possess with respect thereto. Notwithstanding the foregoing, any such holder of such a Lien, Claim or Interest is directed to execute and deliver any waivers, releases, or other related documentation reasonably requested by the Debtors or the Buyer to evidence the release of its Liens, Claims, or Interests in the Assets. Any person or entity that has filed any financing statements, mortgages, deeds of trust, mechanic's liens, *lis pendens*, or any other documents or agreements evidencing a Lien on the Debtors or any of the Assets conveyed pursuant to the Purchase Agreement and this Order is directed to deliver to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all Liens which the person or entity has with respect to the Debtors or the Assets or otherwise.

23. In the event that such termination statements, instruments of satisfaction, or releases of all Liens are not filed in accordance with the foregoing paragraph, the Debtors and the Buyer are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens in the Assets of any kind or nature whatsoever.

#### **Effect of Recordation of Order**

24. This Order, if filed, registered, or otherwise recorded, shall be effective as a conclusive determination that, upon the Closing, all Liens, Claims and Interests of any kind or nature whatsoever existing as to the Assets prior to the Closing have been unconditionally released, discharged, and terminated and that the conveyances described herein have been effected; provided that this Order shall be binding and effective regardless of whether any such

filing, registration or recordation occurs. The Liens, Claims and Interests that are unconditionally released, discharged, and terminated pursuant to this Order include, without limitation, those certain Liens, Claims, and Interests evidenced by the financing statements (as they pertain to the Assets), mortgages, deeds of trust, mechanic's liens, *lis pendens*, notations of liens on certificates of title etc.

25. This Order, if filed, registered, or otherwise recorded, shall be binding upon and shall govern the acts of all persons and entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, local officials, notaries, protonotaries, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to, the Assets; provided that this Order shall be binding and effective regardless of whether any such filing, registration or recordation occurs.

26. Each and every federal, state, and local governmental agency or department is hereby authorized and directed to accept any and all documents and instruments necessary and appropriate to consummate the Transactions contemplated by the Purchase Agreement, including, without limitation, recordation of this Order.

#### **Prohibition of Actions Against the Buyer**

27. Except for the Specifically Assumed Liabilities or as expressly permitted or otherwise specifically provided for in the Purchase Agreement or this Order, the Buyer and its affiliates shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Assets or otherwise. Without limiting the generality of

the foregoing, and except as otherwise specifically provided herein and in the Purchase Agreement, the Buyer and its affiliates shall not be liable for any Claims against the Debtors or any of their predecessors or affiliates, and the Buyer and its affiliates shall have no successor or vicarious liabilities of any kind or character including, without limitation, any theory of antitrust, warranty, product liability, environmental, successor or transferee liability, labor law, ERISA, *de facto* merger, mere continuation, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors, including, without limitation, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' business prior to the Closing or any claims under the WARN Act or any claims related to wages, benefits, severance or vacation pay owed to employees or former employees of the Debtors.

28. Effective upon the Closing, with the sole exception of any enforcement of rights related to the Specifically Assumed Liabilities, all persons and entities shall be, and hereby are, forever barred and estopped from (a) taking any action that would adversely affect or interfere with the ability of the Debtors to transfer the Assets to the Buyer in accordance with the terms of this Order and the Purchase Agreement and (b) asserting, prosecuting, or otherwise pursuing, whether in law or in equity, in any judicial, administrative, arbitral or other proceeding, any Liens, Claims or Interests of any kind or nature whatsoever against the Buyer and its successors, designees, assigns, or property, or the Assets conveyed under this Order in accordance with the Purchase Agreement.

**No Interference**

29. Following the Closing, no holder of a Lien, Claim and/or Interest in or against the Debtors or the Assets shall interfere with the Buyer's title to or use and enjoyment of the Assets based on or related to such Lien, Claim, and/or Interest.

**Retention of Jurisdiction**

30. This Court retains jurisdiction prior to, on, and after Closing to, among other things, interpret, enforce and implement the terms and provisions of this Order and the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, without limitation, retaining jurisdiction to: (a) compel delivery of the Assets or performance of other obligations owed to the Buyer; (b) compel performance of obligations owed to the Debtors; (c) resolve any disputes arising under or related to the Purchase Agreement; (d) interpret, implement, and enforce the provisions of this Order; (e) compel delivery of any waivers, releases, or other related documentation reasonably requested by the Debtors or the Buyer to evidence the release of any Liens, Claims, or Interests in the Assets; (f) protect the Buyer and its affiliates against (i) any Liens, Claims and Interests in or against the Debtors or the Assets of any kind or nature whatsoever and (ii) any creditors, equity interest holders, or other parties in interest regarding the turnover of the Assets that may be in their possession; and (g) protect the Debtors and their affiliates against any liabilities (other than any liabilities retained by the Debtors under the Purchase Agreement) in any way relating to the Assets arising on or after the Closing Date other than to the Buyer pursuant to the Purchase Agreement.

**No Stay of Order**

31. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In

the absence of any person or entity obtaining a stay pending appeal, the Debtors and the Buyer are free to close the Sale under the Purchase Agreement at any time pursuant to the terms thereof. The Sale transactions contemplated by the Purchase Agreement are undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Buyer (including the assumption and assignment by the Debtor of any of the Assigned Contracts or Assigned Leases), unless such authorization is duly stayed pending such appeal. The Buyer is a buyer in good faith of the Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

#### **Good Faith Purchaser**

32. The Sale contemplated by the Purchase Agreement is undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and the Buyer has acted without collusion in undertaking the Sale and Transactions contemplated by the Purchase Agreement. Accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Buyer (including the assumption and assignment by the Debtors of any of the Desired 365 Contracts), unless such authorization is duly stayed pending such appeal. The Buyer is a buyer in good faith of the Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

33. There has been no showing that the Debtors or the Buyer engaged in any action or inaction that would cause or permit the Transactions to be avoided or costs or damages to be imposed under section 363(n) of the Bankruptcy Code.

**Inconsistencies with Prior Orders, Pleadings or Agreements**

34. To the extent of any conflict between the Purchase Agreement and this Order, the terms of the Purchase Agreement shall govern. To the extent this Order is inconsistent or conflicts with any prior order or pleading in these Chapter 11 Cases, the terms of this Order shall govern and any prior orders shall be deemed amended or otherwise modified to the extent required to permit consummation of the Sale.

**Failure to Specify Provisions**

35. The failure to specifically reference any particular provisions of the Purchase Agreement or other related documents in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Purchase Agreement and other related documents be authorized and approved in their entirety.

**Non-Severability**

36. The provisions of this Order are non-severable and mutually dependent.

Dated: \_\_\_\_\_, 2018  
Houston, Texas

\_\_\_\_\_  
[\_\_\_\_\_]
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**

**Purchase Agreement**

**Exhibit B**

**Cure Costs**

## **EXHIBIT E**

### **Transition Services Agreement (Houston) – Services**

1. Revenue Cycle Management (including Medical Billing and Collection Services)
2. IT Infrastructure and Support
3. Human Resources
4. Finance and Accounting

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<p><b>In re:</b></p> <p><b>NEIGHBORS LEGACY HOLDINGS, INC., <i>et al.</i>,</b></p> <p style="text-align: center;"><b>Debtors.<sup>1</sup></b></p>	§ § § § § §	<p><b>Chapter 11</b></p> <p><b>Case No. 18-33836 (MI)</b></p> <p><b>(Jointly Administered)</b></p>
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**BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS’ ASSETS**

On August 8, 2018, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered the *Order (A) Approving Auction and Bid Procedures, Including Bid Protections, and (B) Authorizing and Scheduling An Auction for the Sale of Debtors’ Assets* [Docket No. 203] (the “Bidding Procedures Order”),<sup>2</sup> which approved the Bidding Procedures set forth herein. Accordingly, these Bidding Procedures set forth the process by which the Debtors are authorized to conduct an auction (the “Auction”) for the sale (the “Sale”) of substantially all of the Debtors’ assets in one or more asset packages (each an “Asset Package,” and, collectively, the “Assets”).

1. **Assets to be Sold.** The Debtors seek to sell substantially all of their Assets in one or more Asset Packages (the “Purchased Assets”). Pursuant to the existing Stalking Horse Agreements, one Asset Package includes the Debtors’ Houston area operating locations and one Asset Package includes the Debtors’ non-Houston operating locations. The Debtors are considering all bid proposals but are seeking a comprehensive sale of their Assets and therefore encourage bidders to provide flexibility with regard to Assets included in proposals.

2. **Free and Clear of Any and All Claims and Interests.** Except as otherwise provided in the Stalking Horse Agreements, or another successful bidder’s purchase agreement, all of the Debtors’ right, title, and interest in and to the Purchased Assets subject thereto shall be sold free and clear of all liens, claims and interests (collectively, the “Encumbrances”) to the maximum extent permitted by Section 363 of the Bankruptcy Code (other than Permitted Liens and Assumed Liabilities), with such Encumbrances to attach to the net proceeds of the sale of the Purchased Assets with the same validity and priority as such Encumbrances applied against the Purchased Assets.

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<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at [www.kccllc.net/neighbors](http://www.kccllc.net/neighbors). The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order. In the event of a conflict, the terms of the Bidding Procedures Order shall prevail.

3. **Bid Deadline.** On or before 5:00 p.m. Central Time on August 22, 2018 (the “Bid Deadline”), Qualified Bids must be delivered to (the “Notice Parties”):

- (1) The Debtors’ proposed investment banker, Attn: Andrew Turnbull, Houlihan Lokey Capital, Inc., 111 South Wacker Drive, 37th Floor, Chicago, IL 60606, [aturnbull@hl.com](mailto:aturnbull@hl.com);
- (2) The Debtors’ CRO, Attn: Chad J. Shandler, CohnReznick LLP, 1301 Avenue of the Americas, New York, New York 10019, [chad.shandler@cohnreznick.com](mailto:chad.shandler@cohnreznick.com);
- (3) The Debtors’ proposed counsel, Attn: John F. Higgins, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002, [jhiggins@porterhedges.com](mailto:jhiggins@porterhedges.com);
- (4) The Agent’s counsel, Attn: Matthew E. Tashman, Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103, [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com); and
- (5) Proposed counsel to the Official Committee of Unsecured Creditors, Attn: Michael D. Warner, 301 Commerce Street, Suite 1700, Fort Worth, Texas 76103, [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com).

4. **Qualified Bidders.** Only Qualified Bidders may participate in the bidding process. Except as otherwise set forth in these Bid Procedures, to become a Qualified Bidder, by the Bid Deadline, a potential bidder must (i) execute and deliver to the Debtors an acceptable confidentiality agreement prepared by the Debtors (such bidder thereafter an “Approved Bidder”), (ii) deposit with the Debtors, in cash, 10% of the bidder’s proposed purchase price for the non-Houston operating locations and 5% of the bidder’s proposed purchase price for the Houston operating locations (each, “Alternative Bidder’s Deposit”), which deposit shall be refundable as described below; (iii) submit to the Notice Parties an unqualified and binding bid in an amount of total consideration that exceeds the consideration of any applicable Stalking Horse Agreement,<sup>3</sup> plus the applicable Bid Protections, as that term is defined in any applicable Stalking Horse Agreement, plus \$250,000<sup>4</sup> (provided, however, in the event that the bid is for different Assets than the Asset Packages contemplated by a Stalking Horse Agreement, such consideration shall reasonably represent a premium to an approximate allocation of such Stalking Horse Agreement consideration; provided further, that in determining the value of the Bid, the Debtors, in consultation with the Agent and any duly appointed statutory committee under 11

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<sup>3</sup> To the extent that the purchase price is reduced pursuant to the terms of a Stalking Horse Agreement, the minimum qualified bid will be reduced by the same amount as the purchase price reduction pursuant to the Stalking Horse Agreement. However, if a competing bid includes additional assets, the Debtors, in consultation with the Agent and any duly appointed statutory committee under 11 U.S.C. § 1102, retain the discretion to determine which bid is the highest and best bid.

<sup>4</sup> If a bid is for all of the non-Houston operating locations and the Houston operating locations, then the Debtors, in consultation with the Agent and any duly-appointed statutory committee under 11 U.S.C. § 1102, a minimum overbid to be the sum of (i) the total consideration of each Stalking Horse Agreement plus (ii) the sum of each of the Stalking Horse Bid Protections, plus (iii) \$250,000.

U.S.C. § 1102, will not be limited to evaluating the dollar value of the consideration but may also consider other factors including the speed, certainty and value of the proposed transaction), along with an executed written agreement that is substantially identical to the form of the applicable Stalking Horse Agreement with a redline showing any changes from such Stalking Horse Agreement, and (iv) submit to the Debtors financial and other information, including support indicating the availability of funds to satisfy its purchase price, sufficient to allow the Debtors to make a reasonable determination as to such bidder's ability to consummate a sale as contemplated herein (each, a "Qualified Bid").

5. **Due Diligence.** Only Approved Bidders shall be eligible to receive due diligence information and access to the Debtors' electronic data room and to additional non-public information regarding the Debtors. The Debtors will provide to each Approved Bidder reasonable due diligence information, as requested by such Approved Bidder in writing, as soon as reasonably practicable after such request, and the Debtors shall post all written due diligence provided to any Approved Bidder to the Debtors' electronic data room. For all Approved Bidders, the due diligence period will end on the Bid Deadline, and subsequent to the expiration of the due diligence period, the Debtors shall have no obligation to furnish any due diligence information.

The Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale to any person except to an Approved Bidder or to such Approved Bidder's duly authorized representatives to the extent expressly permitted by the applicable Confidentiality Agreement. The Debtors and their advisors shall coordinate all reasonable requests from Approved Bidders for additional information and due diligence access; *provided that* the Debtors may decline to provide such information to Approved Bidders who, at such time and in the Debtors' reasonable business judgment after consultation with KeyBank National Association as Agent for certain lenders (the "Agent"), and any statutory committee duly appointed under 11 U.S.C. § 1102, have not established, or who have raised doubt, that such Approved Bidder intends in good faith to, or has the capacity to, consummate the applicable Sale.

The Debtors also reserve the right to withhold any diligence materials that the Debtors determine are sensitive after notifying the Approved Bidder requesting such materials of such determination. Neither the Debtors nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Approved Bidder in accordance with these Bidding Procedures

6. **Due Diligence from Bidders.** Each Approved Bidder/Qualified Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtors or their advisors regarding the ability of the Approved Bidder/Qualified Bidder to consummate the applicable Sale. Failure by an Approved Bidder/Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtors to determine, with the consent of the Agent and any duly appointed statutory committee under 11 U.S.C. § 1102, that such bidder is no longer an Approved Bidder/Qualified Bidder or that a bid made by such Qualified Bidder is not a Qualified Bid.

The Debtors and each of their respective advisors and representatives shall be obligated to maintain in confidence any confidential information in accordance with any applicable Confidentiality Agreement, except as otherwise set forth in these Bidding Procedures. Each recipient of confidential information agrees to use, and to instruct its advisors and representatives to use, such confidential information only in connection with the evaluation of Bids during the bidding process or otherwise in connection with these Chapter 11 Cases or in accordance with the terms of any applicable Confidentiality Agreement.

Notwithstanding the foregoing and the provisions contained in any applicable Confidentiality Agreement, the Debtors and the Debtors' advisors may disclose confidential information: (i) with the prior written consent of such bidder and the Debtors; (ii) to the applicable bidder; and (iii) as otherwise required or allowed by any applicable confidentiality agreement with respect to a particular bidder or other agreement, law, court or other governmental order, or regulation, including, as appropriate, to regulatory agencies.

7. **Communications with Qualified Bidders.** Notwithstanding anything to the contrary in these Bidding Procedures, all direct communications between and amongst Approved Bidders or Qualified Bidders shall involve the Debtors and the Debtors' advisors. No Approved Bidder shall communicate with any other potential bidder or Approved Bidder absent prior written consent from the Debtors.

8. **Notice of Qualified Bidders.** Promptly following the bid deadline, the Debtors shall file a notice with the Court identifying all Qualified Bidders. The Debtors shall serve a copy of the notice and the corresponding bids on all Qualified Bidders by (a) facsimile or electronic mail or (b) overnight delivery.

9. **Stalking Horse Bidder(s).** Each Stalking Horse Agreement shall be deemed a Qualified Bid. Each Stalking Horse Bidder is and shall be deemed to be a Qualified Bidder. If no other Qualified Bids are received, each Stalking Horse Bidder shall be deemed the Highest and Best Bid (as defined below) for the Asset Package and the Debtors shall seek approval of a sale to the Stalking Horse Bidders on the terms of the Stalking Horse Agreements at the Sale Hearing.

10. **Auction.** If one or more timely Qualified Bids are received by the Bid Deadline, an auction for the Purchased Assets will be conducted on August 27, 2018, starting at 10:00 a.m. Central Time at the offices of Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, Texas 77002. Only Qualified Bidders may participate in the Auction. The Agent can attend the auction regardless of whether it submits a bid and becomes a Qualified Bidder. If the Agent submits a bid, any requirement in these Bid Procedures that the Debtors have to consult with the Agent about the sale shall terminate with regard to the assets that are the subject of the Agent's bid. All Qualified Bidders, or their authorized representatives with authority to bind the Qualified Bidder, must be physically present at the Auction. At the commencement of the Auction, the Debtors shall announce the bidding order, which shall be based on various factors including the amount of the Qualified Bidder's bid (from low to high). Initial Minimum overbid increments at the Auction shall be in the amount of not less than \$250,000<sup>5</sup> cash (the "Initial

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<sup>5</sup> Subject to footnote four.

Minimum Overbid”). Each bid subsequent to the Initial Minimum Overbid shall be in an incremental amount of not less than \$150,000. At the Debtors’ discretion, in consultation with the Agent, provided that the Agent has not submitted a bid, and any statutory committee duly appointed under 11 U.S.C. § 1102, the Debtors can change or alter the bidding order, the amount of the Initial Minimum Overbid, or any subsequent overbid amount, and allow or disallow Qualified Bidders to pass in any given round and otherwise conduct the Auction in a way that they believe will maximize value. All bidding for the Purchased Assets will be concluded at the Auction and there will be no further bidding at the Sale Hearing.

11. **Selection of the Highest and Best Bid.** At the conclusion of the Auction, in consultation with the Agent, provided that the Agent has not submitted a bid, and any statutory committee duly appointed under 11 U.S.C. § 1102, the Debtors will announce the highest and/or best Qualified Bid submitted by a Qualified Bidder (the “Successful Bidder”) and the next highest and/or best Qualified Bid (the “Back-Up Bid”) submitted by a Qualified Bidder (the “Backup Bidder”) for each applicable Asset Package. The Debtors will seek approval of the Highest and Best Bid(s) at the Sale Hearing. If for any reason, the Qualified Bidder submitting the Highest and Best Bid fails to timely consummate the purchase of the Purchased Assets, the Debtors may seek to consummate a sale based on the Back-Up Bid without further approval by the Court. A Back-Up Bid and the obligation of the party submitting such bid to consummate the purchase of the Purchased Assets shall remain open and in full force, including with respect to the Alternative Bidder’s Deposit, until the close of a sale of the Purchased Assets to the party making the Highest and Best Bid or the party making the Back-Up Bid.

12. **Sale Hearing.** A hearing to approve a sale based on the Highest and Best Bid shall take place on August 28, 2018, at 3:30 p.m. in Courtroom 404, on the fourth floor of the United States Courthouse, 515 Rusk, Houston, Texas 77002.

13. **Deadline to Object to Sale.** All objections to the proposed sale must be filed five (5) days prior to the Sale Hearing.

14. **Return of Deposits.** Within three (3) business days after the conclusion of the Auction, the Debtors shall return by check or wire the full amount of each Alternative Bidder’s Deposit submitted by a party that is not selected as submitting either the Highest and Best Bid or the Back-Up Bid for an applicable Asset Package. If the sale of the Purchased Assets is consummated with the party submitting the Highest and Best Bid, the Alternative Bidder’s Deposit of the party that is declared the Back-Up Bid shall be returned by check or wire transfer within three business days after the closing of the sale to the party submitting the Highest and Best Bid.

15. **Right to Credit Bid.** For purposes hereof, should the Agent submit a credit bid, the Agent shall be deemed to be an Approved Bidder, and any such credit bid shall be considered a Qualified Bid and may be submitted at any time prior to or at the Auction provided that it otherwise complies with the requirements for a Qualified Bid as set forth above, provided that the Agent shall not be entitled to any Bid Protections. The Agent does not have to provide a deposit in order to be an Approved Bidder. Credit bids, if any, by the Agent will not impair or otherwise affect the Stalking Horse Bidders’ entitlement to the Bid Protections granted under the Bidding Procedures Order, provided that if the Agent submits a credit bid that is determined to

be the highest and/or best bid, the Agent consents to any such Bid Protections being added to the DIP budget.

If the Agent elects to credit bid, such credit bid will be: (i) first from the application of any secured obligations outstanding in accordance with the DIP Order, if one is entered, including the funds necessary to pay the Bid Protections, if any, based upon a successful credit bid; and, (ii) second from the application of any obligations secured by the pre-petition liens to the extent that such credit bid is allocated to assets secured by pre-petition liens. Notwithstanding the foregoing, nothing herein is a waiver of or release of any interested parties' right to challenge, or seek to avoid or subordinate the amount, validity, enforceability, extent or priority of the Secured Claim or the Prepetition Liens as set forth in the Interim Order (A) Authorizing Use of Cash Collateral Pursuant to Section 363(c) of the Bankruptcy Code, and Granting Adequate Protection, and (B) Scheduling a Final Hearing of the Continued Use of Cash Collateral [Docket No. 39] and any final order authorizing the use of cash collateral.

The Committee, however, shall have the right to object to the Agent being deemed a Successful Bidder with respect to a Sale to the extent such credit bid does not provide for the payment of administrative expenses allowed in these cases and/or on the basis that a different bid provides better value to the estates.

16. **Notice of Bid Procedures, Auction, and Sale Hearing.** On the next business day following the entry of the Bid Procedures Order, the Debtors will serve by first-class mail a copy of the Order and a notice containing the date of the Bid Deadline, Auction, the Sale Hearing, and the deadline to file objections to the sale to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Suite 3100, Philadelphia, PA 19103 (Attn: Matthew E. Tashman), and via email to [mtashman@reedsmith.com](mailto:mtashman@reedsmith.com) and [llim@reedsmith.com](mailto:llim@reedsmith.com), counsel to the Agent; (d) Cole Schotz, P.C., 301 Commerce Street, Suite 1700, Fort Worth, Texas 76102 (Attn: Michael D. Warner), and via email to [mwarner@coleschotz.com](mailto:mwarner@coleschotz.com) (e) the United States Attorney's Office for the Southern District of Texas; (f) the Internal Revenue Service; (g) any party known to have asserted a Lien on the Purchased Assets; (h) all known affected federal, state, and local regulatory, and taxing authorities; (i) any buyer that signed a nondisclosure agreement with respect to the Purchased Assets; (j) any party that has requested notice pursuant to Bankruptcy Rule 2002 as of the time of service; Such notice shall be sufficient and proper notice of the sale with respect to known interested parties.

Dated: Houston, Texas  
August 9, 2018

**PORTER HEDGES LLP**

By: /s/ John F. Higgins

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