

# **EXHIBIT 1B**

**Copy of the Declaration of Lisa Hughes,  
Including Exhibits A- through C**

terminate, without cause, and shall provide Purchaser with written confirmation of the termination.

9.7 Open Records Act and Open Meetings Act. Purchaser acknowledges that Seller is subject to North Carolina Public Records Act (Chapter 132 of the General Statutes) and the North Carolina Open Meetings Law (Article 33C of Chapter 143 of the General Statutes), or other similar laws applicable to Seller.

9.8 Professional Liability Insurance. Following the Closing, Purchaser shall obtain and maintain appropriate amounts of professional liability insurance coverage, including without limitation, "prior acts" or "tail" coverage, protecting Seller and the Corporation against liabilities for acts or omissions with respect to the Business of the Hospital occurring prior to Closing.

#### Article 10 - Termination

10.1 Termination. This Agreement may be terminated as follows:

(a) By Seller or Purchaser, upon written notice to the other Party, in the event that such other Party has breached an obligation under this Agreement and has failed to remedy such breach within 30 days after receiving written notice of breach by the Party seeking to terminate this Agreement;

(b) By the mutual written agreement of the Parties;

(c) By Seller or Purchaser, upon written notice to the other Party, if (i) any governmental order is entered restraining, enjoining or otherwise prohibiting any of the Parties from consummating the transactions contemplated by this Agreement and such governmental order has become final and non-appealable or (ii) there shall be adopted any law that makes the transactions contemplated by this Agreement illegal or otherwise prohibited; provided, however, that the Party seeking to terminate this Agreement pursuant to clause (i) above shall not have initiated such proceeding or taken any action in support of such proceeding and shall have used its reasonable best efforts to have any such governmental order overturned or lifted; or

(d) By either Party, upon written notice to the other Party, if the Closing shall not have occurred on or before June 30, 2010; provided, that a Party shall not have the right to terminate this Agreement pursuant to this Section 10.1(c) if such Party's failure to fulfill any of its covenants or obligations under this Agreement caused the failure of the Closing to occur on or before such date.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, this Agreement shall forthwith become void and there shall be no liability or obligation hereunder on the part of any Party, except for any liability or obligation pursuant to Section 4.4 and Article 12, which Section and Article shall survive the termination of this Agreement, and except that no such termination shall relieve any Party of or from any liability for breach of or failure to perform, satisfy or comply with any term, provision or condition herein required to be performed, satisfied or complied with by such Party by the Closing as a condition to Closing hereunder. As to any

damages of either Party arising from the effect of termination or abandonment of this Agreement by the other Party or otherwise, such Party is entitled to pursue its rights or remedies against the other Party to the extent such rights or remedies may be available at law or in equity notwithstanding such termination or abandonment.

#### Article 11 - Indemnification

11.1 Indemnification Obligations. Purchaser will indemnify and hold harmless the Seller and its officials, directors and officers (the "Indemnified Parties") from, against and in respect of any and all claims, suits, liabilities, obligations, losses, costs, expenses, penalties, fines and judgments (at equity or at law, including statutory and common) and damages whenever arising or incurred (including amounts paid in settlement, costs of investigation and reasonable attorneys' fees and expenses) (collectively, "Losses") arising out of or relating to any Assumed Liabilities or the operation of the Business of the Hospital following the Closing.

11.2 Indemnification Procedure.

(a) Promptly after receipt by an Indemnified Party of notice by a third party (including any Governmental Body) of any complaint or the commencement of any audit, investigation, action or proceeding with respect to which such Indemnified Party may be entitled to receive payment from Purchaser for any Losses subject to indemnification hereunder ("Seller Losses"), such Indemnified Party will notify the Purchaser in writing thereof; provided, however, that the failure to so notify Purchaser will relieve Purchaser from liability under this Agreement with respect to such claim only if, and only to the extent that, such failure to notify Purchaser results in the forfeiture by Purchaser of rights and defenses otherwise available to Purchaser with respect to such claim or materially prejudices Purchaser in exercising such rights or defenses. Purchaser shall assume the defense of such audit, investigation, action or proceeding, including the employment of counsel reasonably satisfactory to the Indemnified Party, within 20 days of receiving such notice, but in any event, prior to the time any answer or other filing must be made, and Purchaser shall be responsible for the payment of the fees and disbursements of such counsel. In the event, however, that Purchaser declines or fails to assume the defense of the audit, investigation, action or proceeding on the terms provided above or to employ qualified counsel, in either case within the period described in the immediately preceding sentence, then the Indemnified Party shall have the right to assume the defense of such action and retain counsel of its choosing and the Purchaser shall pay the reasonable fees and disbursements of such counsel as incurred. In any audit, investigation, action or proceeding for which Purchaser has assumed the defense, the Indemnified Party will have the right to participate in such matter and to retain its own counsel reasonably satisfactory to Purchaser at the Indemnified Party's own expense; provided, however, the Indemnified Party shall have the right to employ separate counsel reasonably satisfactory to Purchaser at the cost of Purchaser if the Indemnified Party shall be advised by defense counsel that there may be one or more legal defenses which are different or additional to those defenses that are available to the Purchaser. Purchaser will at all times use reasonable efforts to keep the Indemnified Party reasonably apprised of the status of the defense of any matter the defense of which Purchaser has assumed and to cooperate in good faith with the Indemnified Party with respect to the defense of any such matter.

(b) No Indemnified Party may settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of Purchaser, unless (i) Purchaser fails to assume and maintain the defense of such claim pursuant to Section 11.2(a) or (ii) such settlement, compromise or consent includes an unconditional release of Purchaser and its officers and directors from all liability arising out of such claim. Purchaser may not, without the prior written consent of the Indemnified Party, settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder unless such settlement, compromise or consent includes an unconditional release of all Indemnified Parties from all liability arising out of such claim.

(c) In the event an Indemnified Party claims a right to payment pursuant to this Article 11, such Indemnified Party will send written notice of such claim to Purchaser. Such notice will specify the basis for such claim and the amount to be paid. Purchaser agrees to pay to the Indemnified Party or any third party as directed by the Indemnified Party promptly in an amount equal to the stipulated amount set forth in such notice; provided, however, no payment shall be required to be made unless and until all notice and other procedural requirements of this Article 11 have been satisfied.

(d) Notwithstanding the foregoing, Purchaser shall not be liable to pay any Losses for which insurance proceeds are available and any Indemnified Party receiving such insurance proceeds for any claim covered by the indemnification provided in this Article 11 shall, to the extent Purchaser has paid any Losses with respect to such claim, pay over such insurance proceeds to Purchaser; provided, however, pending receipt of any such insurance proceeds Purchaser shall be liable for Losses (including any defense costs) to the extent provided hereunder.

11.3 Survival of Representations and Warranties. The representations and warranties of each Party contained in this Agreement shall survive the Closing for a period of one (1) year after the Closing. No Party shall have any liability with respect to claims first asserted in connection with any representation or warranty after expiration of the survival period specified therefor in this Section 11.3. No covenants or obligations of the Parties contained in this Agreement shall survive the Closing, except that covenants contemplating or involving actions to be taken, or obligations in effect, after the Closing shall survive the Closing and shall continue in full force and effect after the Closing in accordance with their terms.

## Article 12 - General Provisions

12.1 Bulk Sales Law Waiver. Purchaser and Seller each agree to waive compliance with the provisions of the bulk sales law or comparable law of any jurisdiction to the extent that the same may be applicable.

12.2 Notice. Any notice, request, demand or other communication required to be given hereunder shall be made in writing and shall be deemed to have been fully given: (a) if sent by a nationally recognized next day delivery service that obtains a receipt on delivery, the day after it is sent; (b) if mailed, first-class registered or certified United States mail, postage prepaid, 5 days after it is mailed; and (c) if delivered personally, when such delivery is made. In

each case, notice shall be sent to the following addresses (or at such other addresses as shall be given in writing by any Party to the other Parties hereto):

If to Seller to:	County Manager Yadkin County, North Carolina Human Resources Building 217 E. Willow Street Yadkinville, NC 27055
With a copy to:	John Crill, Esq. Special Counsel Parker Poe Adams & Bernstein LLP Wachovia Capitol Center 150 Fayetteville Street, Suite 1400 Raleigh, NC 27601 Fax: 919.834.4564
If to Purchaser to:	CAH Acquisition Company 10 LLC c/o HMC/CAH Consolidated, Inc. 1100 Main Street, Suite 2350 Kansas City, Missouri 64105 Attention: Dennis Davis, Executive Vice President/CLO

Any Party may change the address to which notices are to be sent to it by giving written notice of such change of address to the other Parties in the manner above provided for giving notice.

12.3 Assignment. This Agreement and the rights and obligations of the Parties hereunder may be assigned or delegated only with the prior written consent of the other Party, except that Purchaser may assign all of its rights and obligations hereunder to an affiliate or subsidiary of Purchaser without any prior approval, provided, that, no such assignment shall relieve Purchaser of its obligations hereunder.

12.4 Headings and Counterparts. The Section, subsection, and other headings in this Agreement are inserted solely as a matter of convenience and for reference, and are not a part of this Agreement. This Agreement may be executed in one or more counterparts, by original or electronic or facsimile signatures, all of which shall be considered one and the same agreement and shall become effective when one counterpart has been signed by each Party and delivered to the other Party.

12.5 Integration of Agreement. This Agreement and the other agreements described herein supersede all prior agreements, oral and written, between the Parties with respect to the subject matter hereof. Neither this Agreement, nor any provision hereof, may be changed, waived, discharged, supplemented, or terminated orally, but only by an agreement in writing signed by the Party against which the enforcement of such change, waiver, discharge, or termination is sought.

12.6 Governing Law. This Agreement shall be construed under the laws of the State of North Carolina.

12.7 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

12.8 Access to Records. If this Agreement, Seller and Purchaser shall be deemed to be subject to the disclosure requirements of Section 952 of the Omnibus Reconciliation Act of 1980, until the expiration of four years after the furnishing of any services pursuant to this Agreement, Seller and Purchaser shall make available upon written request to the Secretary of Health and Human Services (the "Secretary"), or upon request of the Comptroller General, or any of their duly authorized representatives, this Agreement and the books, documents and records of Seller or Purchaser that are necessary to certify the nature and the extent of any costs incurred by Seller or Purchaser. In the event that Seller or Purchaser carries out any of the duties of this Agreement pursuant to a subcontract, having a value or cost of \$10,000 or more over a twelve month period with a related organization, such subcontract shall have a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract and the books, documents and records of such organization that are necessary to verify the reasonableness of such costs.

12.9 Third Party Beneficiaries. Except as expressly stated herein, nothing in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy, or claim under or with respect to this Agreement.

12.10 DISCLAIMER OF WARRANTIES. EXCEPT TO THE EXTENT OF THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 4, SELLER IS SELLING THE ASSETS ON AN "AS IS, WHERE IS" BASIS, AND SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS AND GUARANTEES, WHETHER EXPRESS OR IMPLIED, WITHOUT LIMITING THE FOREGOING, AND EXCEPT AS EXPRESSLY SET FORTH IN , SELLER HEREBY DISCLAIMS ANY WARRANTY OF TITLE OR NON-INFRINGEMENT, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY ARISING BY INDUSTRY CUSTOM OR COURSE OF DEALING. PURCHASER ACKNOWLEDGES AND AGREES THAT IT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 4.

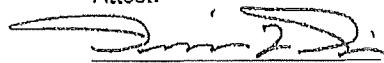
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized representatives, and their seals affixed hereunto, all as of the day and year first above written.

PURCHASER:

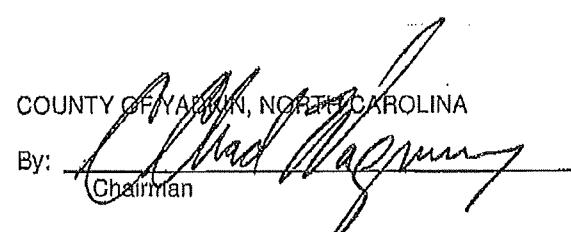
DATE: 4/22/10 CAH ACQUISITION COMPANY 10, LLC  
By:   
President

Attest:

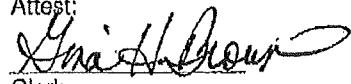
  
Secretary

(No Corporate Seal)

SELLER:

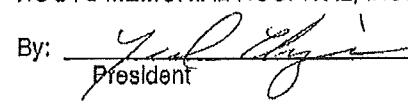
DATE: 4/22/10 COUNTY OF YADKIN, NORTH CAROLINA  
By:   
Chairman

Attest:

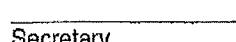
  
Clerk

(County Seal)

DATE: 4/22/10 HOOTS MEMORIAL HOSPITAL, INC.

By:   
President

Attest:

  
Secretary

(Corporate Seal)

SCHEDULE 1.1  
LEGAL DESCRIPTION OF HOSPITAL PROPERTY

EXHIBIT A

BEGINNING at the northeast corner of the intersection of Old Highway 421 (S.R. 1314) and George Street; thence along the eastern margin of George Street, North 00 deg. 29 min. 13 sec. West 519.00 feet to a point; thence along the line of Dunn Development as shown in Plat book 4 at Page 121, South 87 deg. 07 min. 35 sec. East 241.09 feet to a point; thence continuing along the line of said Dunn Development, North 00 deg. 33 min. 49 sec. West 648.13 feet to a point in the southerly line of Lot 8 of Plat B, Carda Estates, as shown in Plat Book 6 at Page 311; thence along the southerly line of Carda Estates, South 86 deg. 12 min. 18 sec. East 611.18 feet to a point; thence along the western line of property of Yadkin County, South 03 deg. 23 min. 12 sec. East 734.18 feet to a point in the northerly line of C. R. Helton Subdivision, as shown in Plat Book 5 at Page 256; thence North 89 deg. 17 min. 07 sec. West 247.56 feet to a point; thence South 00 deg. 01 min. 17 sec. West 446.00 feet to a point in the center line of said Old Highway 421; thence along the center line of said Highway 421, North 86 deg. 46 min. 38 sec. West 636.47 feet to a point thence North 00 deg. 29 min. 13 sec. West 29.00 feet to the point and place of beginning, containing 17.84 acres, more or less.

SAVE AND EXCEPT all that tract of land containing 3.349 acres conveyed from Yadkin County, A Body Politic of North Carolina, to Wake Forest University Health Sciences by deed recorded in Book 841, Page 187 in the Yadkin County Registry, to which reference is hereby made for a more complete description.

ALSO, SAVE AND EXCEPT the house located on the premises used as a dental clinic and other outlying buildings and improvements not limited to but including those improvements identified as B, C and D as shown on copy of Yadkin County tax map, which is attached and incorporated herein by reference.

The above description being the same property identified on Yadkin County tax maps as parcel numbers 130046 and 130828.

SCHEDULE 2.1  
PERMITTED EXCEPTIONS

Any taxes not yet due, any Liens which secure the Assumed Liabilities and any covenants, restrictions, rights-of-way, and easements of record.

**SCHEDULE 2.2**  
**LEASES AND CONTRACTS**

**Service Agreements:**

1. Azure – (consulting service)
2. Alliance Imaging (MRI's)
3. Broadline, Inc.
4. Best Dysphagia Services Agreement
5. Central Carolina Audiological Associates (lease of space in hospital for hearing tests)
6. Brady Trane Services
7. Wake Forest University Health Sciences (providing interpretations of electrocardiograms and echocardiograms)
8. CAPE (Carolina Access of Public Entities)
9. Carolina Donor Services
10. The North Carolina Eye Bank
11. Community Partners (Central Pledmont Access II)
12. Calvert Medical Associates (Locum Tenens)
13. GE Healthcare Service
14. Mountain Valley Hospice & Palliative Care
15. Hospice of Surry County
16. The Health Services Groups of America
17. Home Health Professionals of Forsyth (Rehabilitation Services)
18. Forsyth Rehabilitation Medicine
19. Hugh Chatham Memorial Hospital (Business Agreement)
20. Business Assoc. Agreement between Hoots and Hospice & Palliative CareCenter
21. Hospice of Winston-Salem/Forsyth County, Inc.
22. Kemper National Services, Inc.
23. KMB Services, Inc. (Healthy You, Healthy Me)
24. Mobile Visions, Inc.
25. MSS (Customized Ophthalmic Services and Equipment)
26. Marketing and Trading LLC (Fernando)
27. PharmaTurns Solutions
28. Pathologist Diagnostic Services
29. Lease w/Pitney Bowles (postage machine)

30. Letter of Agreement between WFUHS Dept. of Pediatrics
31. Rural Wisconsin Health Cooperative
32. Rehabilitation Services Therapy Agreement between Forsyth & Hoots
33. RiskKey Software License Agreement
34. Extended Campus Resource Agreement Between Surry Community College & Hoots
35. Lease Agreement Between Yadkin County Health Dept. & Hoots (Dr. Wood's Office)
36. CAP/DA Program
37. Cyramcom International Service Agreement
38. Toshiba Service Agreement
39. Time Warner
40. Carolina LifeCare/North Carolina Baptist Hospitals
41. Teachers' and State Employees' Comprehensive Major Medical Plan
42. NC Baptist Hospital Mobile Services Agreement
43. YVEDDI (Yadkin Valley Economic Development District, Inc. (van rides)
45. Yadkin Dialysis Center of Wake Forest University
46. Yadkin County Dept. of Social Services
47. Health Dept. Contracts consisted of: Pharmacy; Laboratory; Dr. McGrath (as Medical Director of the Health Dept.) to admit Adult and Pediatric Carolina Access patients; Dr. Paul J. Beerman (Radiology); Mammography Service Contract; Physician Assistant Service; Cathy Shore, MD.
48. Employment agreements with Cathy Shore, MD; James McGrath, MD; Jerry Zigler, MD; Thomas Long, MD
49. Wake Forest University Baptist Medical Center: Pharmacy; Ultrasound.

Vendor Contracts:

<i>Vendor</i>	<i>Description of Service Provided</i>	<i>Notice Provisions</i>
Alliance Imaging	Mobile MRI Service	180 days notice prior to end of term
Arjo	PM on Whirlpool	
A+ Lawn/Landscaping	Lawn care	
Baxter	UHC Novation purchase agreement	
Baxter	IV's	NA
Baxter	Colleague Infusion pump with CXF	60 days notice \$4,683.04 left on rental
Baxter	Colleague 3 Infusion Pump	60 days notice \$5,865.30 left on rental

Beckman Coulter	ACT 5 Diff	Payment made 30 days after invoiced
Blue Ridge Xray	CT Scanner	\$ 4,050.00 per month
Brady Services	Heating and Air Service Agreement	pro-rated based on service
Calvert Med. Associates	Locum Tenens Service Agreement	30 days notice
Dietitian - Jane Bullard	Consultant Dietitian	30 days prior to end of term
Midwest Surgical	Mobile Cataract Services	60 days notice
NCBH	Mobile Ultrasound Services	60 days notice
NW AHEC	Health line subscription	
Rural Wisconsin Health	Quality Indicators Participation	
Solucient	Patient Data Sharing NCHA	120 days notice
Time Warner Cable	Cable Service Agreement	No notice provision
Cintas	Shredding services	90 day notice
Cummins Atlanta	PM on Generator	
GE Healthcare	Room 1 GE XR precision	
GE	Aneth. Machine	12 month notice
GE	Aestiva / 5 7100	60 days notice
GE	EKG machine	Undetermined
High Country Spring	Water Cooler	NA
Infolab	AIA 360 data manager	Time to renew
McNeely Pest Control	Monthly pest control;	
Ortho-Clinical	Vitros 250	NA
Piedmont bio medical	Biomedical	time to renew
Pitney Bowes	Mailing machine	no cancellation (started 2004)
RCS	Pagers	Time for renewal
Siemens	Cliniteck 500	\$ 850.00 annually

Security Solution	Monitoring service	60 day
Source One	LORAD Mammography	827.76 per month
Southeastern	PM for autoclave	\$510.00 quarterly
Toshiba	Ultrasound	828.33 per month

Managed Care Contracts:

Insurance Plan	Start Month	Start Year
005 - Aetna	January	2001
013 - America's Health Plan	November	1996
036 - Blue Choice POS	August	2001
056 - Blue Options PPO	August	2001
035 - Blue Cross PCP	August	2001
082 - MedCost Preferred Care	November	2001
102 - CIGNA PPO	September	2004
103 - CIGNA HMO	September	2004
179 - Ethix Southeast, Inc.	January	1997
204 - Focus Healthcare Management, Inc	November	1999
289 - Healthmark		
411 - Kemper	July	1993
491 - Mamsi Alliance PPO	November	1996
531 - Medicare A		
532 - Medicare B		
541 - NC Medicaid		
550 - Carolina Access		
558 - Multiplan		
576 - Medvlew		
629 - One Health Plan of NC, Inc.	September	1998
630 - Optimum Choice of the Carolinas	November	1996
653 - United/PHP of NC	January	1999
572 - United Health Care (EverCare)	July	2006
668 - PMC - Now Blue Medicare	September	2006
669 - Preferred Health Network		
805 - NC State Employees	July	2003
920 - Wellpath Select, Inc.	January	1997

SCHEDULE 2.4

CONSENTS

None.

SCHEDULE 2.7(b)  
(Attach copy of promissory note)

SCHEDULE 2.8

TAX LIABILITIES

Corporation's non-payment of three pay periods of payroll taxes, the liability for which is evidenced by the promissory note attached as Schedule 2.7(b).

SCHEDULE 2.9(a)

HOSPITAL LEASE

This HOSPITAL LEASE (this "Lease") is entered into effective as of \_\_\_\_\_, 2010 (the "Commencement Date") between COUNTY OF YADKIN, NORTH CAROLINA, a body corporate and politic, existing under the laws of the State of North Carolina, ("Landlord"), and CAH Acquisition Company 10 LLC, a Delaware limited liability company (Tenant"). Landlord and Tenant hereby agree as follows:

1. Capitalized Terms Not Otherwise Defined. All capitalized terms used in this Lease and not otherwise defined shall have the meaning set forth in that certain Agreement to Purchase and Lease dated as of \_\_\_\_\_, 2010 by and among the Parties (the "Agreement").

2. Lease of Hospital Property.

(a) Landlord owns the real estate and the building, structures, and other improvements situated in Yadkin County, North Carolina, and legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Hospital Property").

(b) Subject to the covenants and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Hospital Property.

(c) The Hospital Property are leased in their present condition, with all faults, without representation or warranty of any kind, either express or implied, by Landlord, and subject to: (i) the existing state of title including all covenants, conditions, restrictions, easements, encumbrances, and other matters of record; (ii) all applicable laws, and (iii) any matters, whether or not of a similar nature, which would be disclosed by an inspection of the Hospital Property.

3. Term and Termination.

(a) Unless earlier terminated as provided herein, this Lease shall have a term of 48 months commencing on the Commencement Date (the "Term").

(b) If Tenant has been prevented from commencing construction or achieving substantial completion by the time periods set forth in the Agreement due to Acts of God, the failure to receive any required governmental consents (such failure not being due to Buyer's negligence or willful misconduct) or delays (notwithstanding good faith and diligent efforts) caused by the inability to obtain either construction or long-term financing for the Replacement Hospital Facility, Tenant shall promptly notify Landlord of such in writing and the time for commencing construction or achieving Substantial Completion shall be extended for the period of any such delay, the Term shall be extended for the period of the enforced delay (as mutually agreed by Tenant and Landlord), including any time reasonably required to recommence performance due to such enforced delay. Tenant shall, at all times, use good faith efforts to remedy with all reasonable dispatch the cause or causes preventing it from commencing construction and achieving substantial completion.

(c) Upon Substantial Completion of the Replacement Hospital, Tenant shall promptly notify Landlord of such in writing and the Term of this Lease shall automatically terminate and be of no further force or effect.

(d) At the termination or expiration of the Term, Tenant shall surrender the Hospital Property and all keys, if any, to Landlord. The Hospital Property shall be in the same condition as at the commencement of the Term, normal wear and tear and loss from casualty excepted, and Tenant shall remove from the Hospital Property all of its property.

4. Rent. Tenant shall pay to Landlord for the use and enjoyment of the Hospital Property, the amount of [insert amount] per annum as rent due under this Lease during the Term (the "Rent"). The Rent shall be paid in equal monthly installments of [insert amount] each during the Term on the first (1<sup>st</sup>) day of each month. In the event the Term shall commence on a day other than the first (1<sup>st</sup>) day of a month or terminate on a day other than the last day of a month, the rent for such partial month shall be prorated. If any monthly installment of Rent or any other sum due and payable pursuant to this Lease remains due and unpaid ten (10) days after said amount becomes due, Tenant shall pay as additional rent hereunder a late payment charge equal to five percent (5%) of such past due amount. All unpaid rent and other sums of whatever nature owed by Tenant to Landlord under this Lease shall bear interest from the tenth (10<sup>th</sup>) day after the due date thereof until paid at the lesser of two percent (2%) per annum above the "prime rate" as published in The Wall Street Journal from time to time (the "Prime Rate") or the maximum interest rate per annum allowed by law. Acceptance by Landlord of any payment from Tenant hereunder in an amount less than that which is currently due shall in no way affect Landlord's rights under this Lease and shall in no way constitute an accord and satisfaction.

5. Permitted Uses of Hospital Property. During the Term, Tenant shall use the Hospital Property only for the operation of a hospital and for such other uses as may be incidental thereto including medical or dental laboratories, pharmacy, private practice of medicine and related uses by individual physicians or physician groups, outpatient services, and any uses similar to, or complementary to any of the foregoing typically present in a critical access hospital setting (the "Permitted Use").

6. Additional Rent. This Lease is a net lease. During the Term, Tenant shall pay as "Additional Rent," the following:

(a) Taxes and assessments (special or otherwise) levied, accrued or assessed during Tenant's occupancy against the Hospital Property.

(b) Premiums charged for fire and extended coverage insurance on the Hospital Property, together with premiums charged for liability insurance on the Hospital Property.

(c) Expenses incurred in operating, maintaining, cleaning and repairing the Hospital Property; provided that the costs of capital expenditures or replacements shall not be included within the Additional Rent.

(d) Water, sewer, electric and natural gas utility charges for the accounts set forth on Schedule 6(d) and otherwise incurred in connection with the operation of the Hospital Property.

7. Interruption of Utilities. Landlord shall in no way be liable for any loss, expense, or damage (whether direct or indirect) that Tenant may sustain or incur by reason of any

change, failure, interference, disruption, interruption, or defect in the supply or character of any utilities furnished to the Hospital Property, regardless of its duration, or if the quantity or character of the utilities supplied by the local utility service provider(s) is no longer available or suitable for Tenant's requirements. Any such change, failure, interference, disruption, interruption, defect, unavailability, or unsuitability shall not: (a) constitute an actual or constructive eviction of Tenant, in whole or in part; (b) entitle Tenant to any abatement or diminution of any rents, charges or costs due from Tenant pursuant to this Lease; (c) relieve or release Tenant from any of its obligations under this Lease; or (d) entitle Tenant to terminate this Lease. Tenant hereby waives all benefits of any applicable existing or future law permitting the termination of this Lease due to any such change, failure, interference, disruption, interruption, defect, unavailability, or unsuitability as mentioned above.

8. Indemnity. Tenant will at all times indemnify, defend and hold Landlord harmless from all loss, liability, costs, damages and expenses that may occur or be claimed with respect to any person or persons, or property on or about the Hospital Property or to the Hospital Property resulting from any act done or omission by or through Tenant, its agents, employees, invitees or any person on the Hospital Property by reason of Tenant's use or occupancy or resulting from Tenant's non-use or possession of the Hospital Property and any and all loss, cost, liability or expense resulting therefrom. Tenant will maintain, at all times during the Term, comprehensive general liability insurance from a responsible insurance company, licensed to do business in the state in which the Hospital Property are located and satisfactory to Landlord, properly protecting and indemnifying Landlord with single limit coverage of not less than \$3,000,000 for injury to or death of persons and for property damage in an amount equal to the full insurable value of the Hospital Property. During the Term, Tenant will furnish Landlord with a certificate or certificates of insurance covering such insurance so maintained by Tenant and naming Landlord as an additional insured.

9. Maintenance and Repair by Tenant; Limitations. Except for damage resulting from an insured loss during the Term, Tenant at its sole cost and expense will maintain and keep in good order, repair all the non-structural parts and components of the Hospital Property. In addition, Tenant shall be obligated to repair the structural parts and components of the Hospital Property, but only if such repairs are due to damage caused by an insured event and only to the extent of any insurance proceeds received by Tenant for such repairs.

10. Landlord's Right of Entry. Landlord or Landlord's agent may enter the Hospital Property at reasonable hours to examine the same, to show the same to prospective lenders and purchasers and tenants, and to do anything Landlord may be required to do hereunder or which Landlord may deem necessary for the good of the Hospital Property.

11. Damage by Casualty. In case, during the Term, the Hospital Property are destroyed or are damaged by fire or other casualty as to become untenantable, then in such event, at the option of Tenant, the Term will cease from the date of such damage or destruction, and Tenant will immediately surrender the Hospital Property and all interest therein to Landlord, together with applicable insurance proceeds. If Tenant elects not to terminate this Lease, then this Lease will continue in full force and effect and Tenant will repair the Hospital Property with all reasonable promptness, placing the same in as good a condition as they were at the time of the damage or destruction; provided that nothing herein shall obligate Tenant to make any repairs or replacements costing more than the proceeds of insurance actually received by Tenant in connection with such casualty. If the Hospital Property is slightly injured by fire or other casualty, so as not to render the same untenantable and unfit for occupancy, then Tenant will use any insurance proceeds to repair the same with all reasonable promptness.

12. Personal Property. Landlord will not be liable for any loss or damage to any merchandise inventory, goods, fixtures, improvements or personal property of Tenant in or about the Hospital Property, save and except as caused by Landlord.

13. Alterations; Trade Fixtures. Tenant will not make any alterations or additions in or to the Hospital Property without the prior written consent of Landlord. Tenant shall have the right to deliver to and install in the Hospital Property any equipment, trade fixtures or other material to be used by it in the operation of its business. All furnishings and equipment used in the improvements and on the Hospital Property and supplied and installed at the sole cost and expense of Tenant shall be and remain at all times the sole property of Tenant; provided that any structural improvements to the Hospital Property, such as carpeting, walls or doors shall become the property of Landlord upon installation and shall remain at the Hospital Property upon the expiration or termination of this Lease, unless Landlord requests Tenant to remove such structural improvements, in which case Tenant shall so remove them.

14. Legal Requirements. Tenant will comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Hospital Property or the use thereof; provided, however, Tenant shall not be required to make any alterations to any structural part or component of the Hospital Property, all of which shall remain the obligation of Landlord under Section 11 above.

15. Eminent Domain. If the Hospital Property or any substantial part thereof is taken under the power of eminent domain or is acquired for any public or quasi-public use or purpose, the Term will cease and terminate upon the date when the possession of the Hospital Property or the part thereof so taken is required for such use or purpose and without apportionment of the award, and Tenant will have no claim against Landlord for the value of any unexpired portion of the Term.

16. Waiver and Subrogation. As part of the consideration for this Lease, each of the Parties hereby releases the other Party from all liability for damages due to any act or neglect of the other Party (except as herein provided) occasioned to property owned by said Parties which is or might be incident to or the result of a fire or any other casualty against loss for which either of the Parties is now carrying or hereafter may carry insurance; provided that the releases herein contained will not apply to any loss or damage occasioned by intentional acts of either of the Parties, and the Parties further covenant that any insurance they obtain on their respective properties will contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this Section 18.

17. Default and Remedies. In the event (a) of any default by Tenant in the payment when due of any sums due Landlord or required to be paid to third parties under this Lease which continues after 10 days written notice by Landlord to Tenant; provided, however, that Landlord shall only be required to give notice twice during any twelve (12) month period, and after such two notices are given, any failure by Tenant to pay Rent shall be deemed a default without further notice of nonpayment from Landlord, (b) Tenant deserts or vacates the Hospital Property, except temporarily in case of emergency, (c) any petition is filed by or against Tenant under any section or chapter of the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof, (d) Tenant becomes insolvent or makes a transfer in fraud of creditors, (e) Tenant makes an assignment for benefit of creditors, (f) a receiver is appointed for Tenant or any of the assets of Tenant, or (g) any other default by Tenant in its obligation under this Lease which continues after 30 days' written notice by

Landlord to Tenant, then in any of such events, Tenant will be in default. Upon the occurrence of a default by Tenant, Landlord will have the option to do any one or more of the following in addition to and not in limitation of any other remedy permitted by law, (a) to enter upon the Premises and to expel, remove and put out Tenant or any other persons who might be thereon, together with all personal property found therein, and (b) Landlord may terminate this Lease. Landlord has the right and remedy to seek redress in the courts at any time to correct or remedy any default of Tenant by injunction or otherwise, and Landlord, whether this Lease has been or is terminated or not, has the absolute right by court action or otherwise to collect any and all amounts of unpaid rent or unpaid additional rent or any other sums due from Tenant to Landlord under this Lease which were or are unpaid at the date of termination. In the event either Party institutes legal action or proceedings arising out of or in any way connected with this Lease, the non-prevailing Party will reimburse the prevailing Party for all reasonable attorneys' fees and costs incurred in connection therewith.

18. Waiver. The rights and remedies of Landlord under this Lease, as well as those provided or accorded by law or in equity, will be cumulative, and none will be exclusive of any other rights or remedies hereunder. A waiver by Landlord of any breach or breaches, default or defaults of Tenant hereunder will not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default.

19. Notices. Notice or other communications required or permitted hereunder will be sufficiently given if delivered in person or sent by fax or e-mail or three days after it is mailed by registered or certified mail, return receipt requested, or by recognized overnight courier, postage or courier charges prepaid, addressed as follows:

If to Landlord:	County Manager Yadkin County, North Carolina Human Resources Building 217 E. Willow Street Yadkinville, NC 27055
With a copy to:	John Crill, Esq. Special Counsel Parker Poe Wachovia Capitol Center 150 Fayetteville Street, Suite 1400 Raleigh, NC 27601 Fax: 919.834.4564
If to Tenant:	CAH Acquisition Company 10 LLC c/o HMC/CAH Consolidated, Inc. 1100 Main Street, Suite 2350 Kansas City, Missouri 64105 Attention: Lawrence J. Arthur, President/CEO

20. Successors. The provisions, covenants and conditions of this Lease will bind and inure to the benefit of the legal representatives, heirs, successors and permitted assigns of each of the Parties, except that no assignment or subletting by Tenant without the prior written consent of Landlord will vest any rights in the assignee or subtenant of Tenant.

21. Quiet Possession. Landlord agrees, so long as Tenant fully complies with all of the terms, covenants and conditions herein contained on Tenant's part to be kept and performed, Tenant will and may peaceably and quietly have, hold and enjoy the Hospital Property for the Term, it being expressly understood and agreed that the aforesaid covenant of quiet enjoyment will be binding upon Landlord, its heirs, successors or assigns, but only during such party's ownership of the Hospital Property. Each of Landlord and Tenant further covenants and represents for itself that it has full right, title, power and authority to make execute and deliver this Lease.

22. Bankruptcy. Neither this Lease nor any interest therein nor any estate hereby created will pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the Term thereof.

23. Entire Agreement. This Lease contains the entire agreement between the parties and no modification of this Lease will be binding upon the Parties unless evidenced by an agreement in writing signed by the Parties after the date hereof.

24. Attornment. Tenant will attorn to any successor to Landlord upon request and to execute any documents reasonably required or appropriate to effectuate such an attornment upon written notice thereof, and Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney-in-fact and in Tenant's name, place and stead to execute all such documents in accordance therewith, provided any such successor will recognize the validity and continuance of this Lease, and further provided that Tenant will not be in default, so as to allow termination, beyond the period in which Tenant may cure such default.

25. EstoppeL Certificates. Tenant will at any time upon not less than 10 days' prior written notice from Landlord execute, acknowledge and deliver to a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified stating the nature of such modification) and the date to which the rent and other charges are paid in advance, if any, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by Landlord.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the last date written below.

TENANT:

DATE: \_\_\_\_\_ CAH ACQUISITION COMPANY 10 LLC

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

Attest:

\_\_\_\_\_  
Secretary

(No Corporate Seal)

LANDLORD:

DATE: \_\_\_\_\_ COUNTY OF YADKIN, NORTH CAROLINA

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

Attest:

\_\_\_\_\_  
Clerk

(County Seal)

SCHEDULE 2.9(b)  
(Attach copy of landlord waiver)

**VEDDER PRICE FORM TO BE DUPLICATED  
FOR EACH HEALTHCARE FACILITY**

**LANDLORD WAIVER**

**THIS LANDLORD WAIVER** (this “Agreement”) is executed and delivered as of \_\_\_\_\_, 2010 by and among [NAME OF LANDLORD], a [TYPE OF ENTITY] (together with its successors and assigns, the “Landlord”), GEMINO HEALTHCARE FINANCE, LLC, a Delaware limited liability company (“Lender”), and [NAME OF BORROWER-TENANT], [TYPE OF ENTITY] (together with its successors and assigns, “Borrower”).

**WITNESSETH:**

**WHEREAS**, Lender and Borrower are each entering into that certain Credit Agreement dated as of the date hereof (as the same may from time to time be amended, restated, modified or supplemented, the “Credit Agreement”) and certain other Loan Documents (as defined in the Credit Agreement) providing for loans to or for the benefit of Borrower;

**WHEREAS**, Borrower is the tenant under a certain Lease dated \_\_\_\_\_ (the “Lease”) between Borrower and Landlord covering the premises located at \_\_\_\_\_ (collectively, the “Premises”);

**WHEREAS**, to secure payment and performance of all of Borrower’s obligations and liabilities under the Credit Agreement (“Borrower’s Liabilities”), Borrower will grant to Lender a first priority security interest on certain of its assets, whether now owned or existing or hereafter created, acquired or arising (collectively, the “Collateral”) located on the Premises;

**WHEREAS**, Landlord wishes to continue to lease the Premises to Borrower and receive rental payments therefor pursuant to the Lease, and accordingly wishes for Borrower to remain in business and continue to operate the same; and

**WHEREAS**, Borrower, to remain in business and continue to operate the same, may require loans and/or advances from the Lender pursuant to the Credit Agreement, and Lender, as a condition precedent to making such loans and/or advances, has required that Landlord and Borrower execute and deliver this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Landlord and Borrower represent and warrant that the Lease is presently in full force and effect, all rentals have been paid up through and including \_\_\_\_\_, and, to each party’s knowledge, neither the Borrower nor the Landlord is in default thereunder.

2. Landlord subordinates each and every right which Landlord now has or hereafter may have, under the laws of the State of \_\_\_\_\_, or by virtue of the Lease, or any renewals, extensions, amendments, modifications, substitutions or replacements thereof (“New Lease”) or by virtue of Borrower’s occupation of the Premises, to levy or distrain upon, for rent, in arrears, in advance or both or for any monetary obligation arising by reason of default under the Lease or any New Lease, or to claim or assert any lien, right, claim or title to any or all of the Collateral, which now is or hereafter may be located, on the Premises.

3. Landlord recognizes and acknowledges that Lender's security interest in the Collateral pursuant to the Credit Agreement is superior to any lien, right or claim or title of any nature which Landlord now has or hereafter may have or assert in or to the Collateral by statute, the Lease, any New Lease, any other agreement or otherwise. In connection with the foregoing, Landlord acknowledges and agrees that it shall not exercise any rights that it may have in connection with the Collateral until Borrower's Liabilities are paid and satisfied in full.

4. Concurrently with delivery to Borrower of notice of any default by Borrower under the Lease, Landlord agrees to notify in writing Lender of the occurrence of such default by Borrower. Landlord agrees that Lender, at its sole option and without obligation to either Landlord or Borrower to do so, (a) may cure any monetary default within five (5) business days of receipt of Landlord's notice of default and (b) may cure any non-monetary default within thirty (30) days after receipt of Landlord's notice of default, in which event Landlord shall accept such cure as if the same had been made by Borrower, and Landlord shall not be entitled to terminate this Lease or exercise any other remedy available to Landlord on account of such default.

5. Notwithstanding any provision of the Lease to the contrary, and until Borrower's Liabilities are paid and satisfied in full, Landlord and Borrower expressly acknowledge and agree that the prior written consent of Lender shall be required for any assignment or subletting of Borrower's interest under the Lease. Lender shall not unreasonably withhold or delay its consent to any of the foregoing.

6. Landlord agrees that Lender may, upon prior notice to the Landlord, enter upon the Premises at any time or times, during normal business hours, to inspect or to remove the Collateral therefrom, without charge, except for reimbursement for any physical damage to the Premises caused by such removal. Landlord will not hinder, interfere with or delay Lender's actions in enforcing its liens and remedies with respect to the Collateral and in such case Landlord will make no claim or demand whatsoever against the Collateral. Use or occupancy of the premises by Lender as set forth herein shall not constitute an assumption by the Lender or any Lender of the Lease or of any obligations thereunder. Notwithstanding the foregoing, during any period in which Lender is in possession of any part of the Premises, Lender shall pay to the Landlord rent in an amount equal to the rent amount which is then due (or was to have been paid), by Borrower pursuant to the terms of the Lease, prorated for the actual number of days Lender is in possession of the Premises. The foregoing obligation shall be reduced by the amount of any rent actually received by Landlord from Borrower for such period.

7. If Borrower defaults on its obligations to Lender under the Credit Agreement, Lender may, at Lender's option, and in compliance with the terms of the Lease, enter and take possession of the Premises without terminating the Lease and Landlord will recognize Lender as the lessee under the Lease, entitled to all of the benefits thereof, and Lender will assume in writing such benefits and obligations of Borrower as of the time Lender takes possession thereof. In the event Lender enters and takes possession of the Premises under this section, Lender shall immediately advise Landlord of such action, in writing, and further shall agree in writing to comply with all terms and provisions of the Lease.

8. Lender may, without affecting the validity of this Agreement, extend, amend or in any way modify the terms of payment or performance of any of Borrower's Liabilities, without

the consent of Landlord and without giving notice thereof to Landlord. This Agreement shall continue in full force and effect until Borrower's Liabilities are paid and satisfied in full.

9. Notice to any party hereunder shall be in writing and shall be sent by certified mail, return receipt requested, to the parties at the following address:

To Lender:

Gemino Healthcare Finance, LLC  
One International Plaza Suite 220  
Philadelphia, PA 19113  
Attention: Tom Schneider  
Telecopier No.: 610-870-5401

To Borrower:

### To Landlord

10. This Agreement shall inure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, personal representatives, successors and assigns of Landlord and Borrower, upon any successor owner or transferee of the Premises, and upon any purchasers, including any mortgagee, from the Landlord.

11. Landlord agrees to disclose this Agreement to any successor to Landlord's interest in the Premises.

12. In the event of any conflict between the terms of the Lease and the terms of this Agreement, the terms of this Agreement shall control and prevail.

[SIGNATURE PAGES FOLLOW]

*Signature Page to Landlord Waiver*

**IN WITNESS WHEREOF**, this Landlord Waiver has been duly executed and delivered as of the day and year specified at the beginning hereof.

**LANDLORD:**

[NAME OF LANDLORD]

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

*Signature Page to Landlord Waiver*

**BORROWER:**

[NAME OF BORROWER]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Signature Page to Landlord Waiver*

LENDER:

**GEMINO HEALTHCARE FINANCE, LLC**

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