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April 4, 2016

Yadkin County Board of Commissioners
P. O. Box 220
217 E. Willow Street
Yadkinville, NC 27055

Dear Commissioners:

The Settlement Agreement and Releases of the County of Yadkin, Kevin Austin, Hugh Chatham Memorial Hospital, Inc., Blue Management Services, LLC D/B/A Alliant Management Services with CAH Acquisition Company 10 LLC, HMC/CAH Consolidated, Inc. and Rural Community Hospitals of America, LLC (hereinafter, "CAH Parties") has been fully executed. This letter shall serve to meet the requirements of N. C. General Statute 143-318.11(3), which states in part, "If the public body has approved or considered a settlement, other than a malpractice settlement by or on behalf of a hospital, in closed session, the terms of that settlement shall be reported to the public body and entered into its minutes as soon as possible within a reasonable time after the settlement is concluded."

The Settlement Agreement and Releases have been signed by Kevin Austin, Chairman of the Yadkin County Board of Commissioners; by Kevin Austin individually; by Donald E. Trippel, CFO of Hugh Chatham Memorial Hospital, Inc.; by Timothy L. Jarm, President and CEO of Blue Management Services, LLC D/B/A Alliant Management Services; and by James W. Shaffer, President of CAH Acquisition Company 10 LLC; by James W. Shaffer, President of HMC/CAH Consolidated, Inc.; and by Dennis Davis, Chief Legal Officer of Rural Community Hospitals of America, LLC. I hereby report the terms of the settlement to the public body to be entered into the minutes:

1. All parties have expressly stated the Settled Issues as follows: "The County, Austin, Hugh Chatham, Alliant, and the CAH Parties hereby agree the following matters between the Parties hereto are hereby settled and resolved:

any and all matters of dispute, including any claims arising out of or related in any way to the Purchase and Lease Agreement, the Lease and its amendments, and any claims which were or could have been asserted at any point in the Litigation including, without limitation, the Motion to Enforce and TRO, hereinafter, the "Settled Issues."

2. In accordance with the said Settlement Agreement and Releases between the parties, which is attached hereto and made a part hereof, the following amounts have been paid, agreed to by the CAH Parties to be their obligations instead of the County's, and delivered as follows:

a. The CAH Parties have paid the sum of \$250,000.00 to Yadkin County by electronic funds bank transfer.

b. The CAH Parties have paid the sum of \$14,983.17 to the Town of Yadkinville by electronic funds bank transfer for personal property tax payment.

c. The CAH Parties have agreed that the County's Proof of Claim filed in the Bankruptcy Case and included in the Class 1 Earnout Rights remains payable to Yadkin County in the amount of \$451,493.32 as and when due to Yadkin County under the Joint Plan in the Bankruptcy Case.

d. The CAH Parties have agreed that they shall be deemed to have relinquished all right, title, and interests they may have in the Hospital Property or any assets acquired by virtue of the Purchase and Lease Agreement and Article 5 of Chapter 131E to Yadkin County and agreed to execute such further documents as may be reasonably necessary to effectuate the conveyance of such interests in the Hospital Property as reasonably required by the County for compliance with NC Gen. Stat. § 105-366 as allowed by law. The estimated purchase value of this said property exceeds the sum of \$1,594,000.00 as is shown in the attached Capital Inventory performed this year.

e. With regard to whether any personal property taxes are due to the County by the CAH Parties, the Settlement Agreement and Releases contains the following:

Special Tax Provision Under NC Gen. Stat. § 105-380. For the avoidance of doubt, all personal property taxes owing by the Reorganized Debtor arising before the Bankruptcy Effective Date are addressed in the Joint Plan or are otherwise discharged as a function of Federal Bankruptcy Law. For personal property taxes

arising after the Bankruptcy Effective Date, such taxes are either (a) being paid pursuant to Sections 3, 4, and 6, or (b) are being satisfied by the surrender of the personal property provide for in Section 7, the value of which Hospital Property is agreed to be equal to or in excess of any personal property taxes not satisfied by payment under Sections 3,4, and 6, and the Settlement Payment.

The non-discharged personal property taxes totaling \$26,687.79 will be paid from the cash amount received from the CAH Parties.

f. The CAH Parties as the holders of the Medicare/Medicaid Provider number have represented, warranted, and acknowledged to Yadkin County that they are the parties liable to the Centers for Medicare and Medicaid Services (“CMS”) for any Medicare/Medicaid liabilities associated with Medicare/Medicaid_Acute provider number: 34-1308 and Swing bed provider number 34-Z308. They further represented and warranted that these are the only Medicare/Medicaid Provider numbers associated with the past ownership and operation of the Hospital. In May, 2015 we were advised by the CAH Parties Chief Legal Officer Dennis Davis that they wanted Yadkin County to pay their \$1,700,000.00 liability to CMS, and we understand from review of other documents that there were similar significant liabilities to CMS in addition to that amount. With this Settlement Agreement and Releases, the CAH Parties have agreed that they are liable for all of the CMS obligations. Therefore, Yadkin County will have no liability for any of these amounts going forward with a re-opening of the hospital.

g. The County and all other parties has been totally released from all claims made by the CAH Parties in their counterclaims and claims in the Eastern District of North Carolina U. S. District Court, the Middle District of North Carolina U. S. District Court, the Superior Court of Guilford County, and the U. S. Bankruptcy Court of the Western District of Missouri without any payment whatsoever to the CAH Parties. In addition, all parties have signed and filed notices of dismissals with prejudice in the courts as to all claims and counterclaims in all these cases. Another very important consideration is that the execution of the said Settlement Agreement and Releases and Dismissals of the lawsuits will save Yadkin County hundreds of thousands of dollars in attorneys fees, costs and expenses that would have been paid going forward had the lawsuits continued to conclusion.

h. Our outside counsel and my office have researched and evaluated the possibility that even if we obtained a significant judgment in these legal actions, what would be the possibility of collecting the damages awarded. It is our opinion that the primary obligor of these potential damages would be the corporate entity, CAH Acquisition Company 10, LLC, whose only asset was the operations of Yadkin Valley Community Hospital. It is likely that if we obtained a large judgment against all these corporate defendants, they would have probably declared bankruptcy leaving us with small percentage claims

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against bankrupt entities. The value of these claims would be far outweighed by the tremendous legal costs involved.

3. The Board of Commissioners was informed of the Settlement Agreement and Releases and approved it in closed session in accordance with N. C. General Statute 143-318.11(3) at its Emergency Meeting on March 30, 2016.

With kindest personal regards.

Sincerely yours,

/s/Edward L. Powell

Edward L. Powell
Yadkin County Attorney

SETTLEMENT AGREEMENT AND RELEASES

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into effective as of the Settlement Date, by and among COUNTY OF YADKIN ("County"); KEVIN AUSTIN ("Austin"), HUGH CHATHAM MEMORIAL HOSPITAL, INC. ("Hugh Chatham"), BLUE MANAGEMENT SERVICES, LLC D/B/A ALLIANT MANAGEMENT SERVICES ("Alliant") and CAH ACQUISITION COMPANY 10 LLC ("CAH 10"), HMC/CAH CONSOLIDATED, INC. ("HMC"), and RURAL COMMUNITY HOSPITALS OF AMERICA LLC ("RCHA").

DEFINITIONS

The definitions for the following terms shall apply to the Agreement in addition to their traditional and common sense meanings:

A. **"CAH Parties"** means and includes Reorganized Debtors and RCHA.

B. **"Effective Date"** means the later of (i) the date that is the County has actually received the Settlement Payment; or (ii) the date that the Town of Yadkinville, has received the Personal Property Tax Payment.

C. **"Hospital"** means and includes Yadkin Valley Community Hospital, formerly known as Hoots Memorial Hospital located at 624 W. Main Street, Yadkinville, North Carolina 27055.

D. **"Hospital Property"** means and includes all properties and assets, whether tangible or intangible located at any building or facility used in connection with the Hospital wherever located, and whether or not any such properties and assets are identified in the CAH Parties' books and records.

E. **"Insolvency Proceeding"** means any case, proceeding, or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, receivership, or relief of debtors, seeking to have an order of relief entered with respect to the CAH Parties, or seeking to adjudicate them as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to the CAH Parties or their debts.

F. **"Litigation"** means and includes the following pending cases:

i. *County of Yadkin v. CAH Acquisition Company 10, LLC HMC/CAH Consolidated, Inc., and Rural Community Hospitals of America, LLC*, pending in the United States District Court for the Eastern District of North Carolina, Case No. 5:15-cv-00229-BO;

ii. *In re: HMC/CAH Consolidated, Inc.*, pending in the United States Bankruptcy Court for Western District of Missouri, Case No. 11-44738-DRD;

iii. *In re: CAH Acquisition Company 10, LLC*, pending in the United States Bankruptcy Court for Western District of Missouri, Case No. 11-44747-DRD;

iv. *CAH Acquisition Company 10 LLC and Rural Community Hospitals of America, LLC v. Hugh Chatham Memorial Hospital, Inc., Blue Management Services, LLC d/b/a Alliant Management Services, Kevin Austin, John Does and Jane Does*, pending in the United States District Court for the Middle District of North Carolina, Case No. 1:16-CV-00095;

v. *In Re: Yadkin Valley Community Hospital Litigation*, pending in the United States Judicial Panel on Multidistrict Litigation, Case No. 2701; and

vi. *In Re: CAH Acquisition Company 10, LLC v. County of Yadkin*, pending in the General Court of Justice, Superior Court Division for Guilford County, North Carolina, Case No. 16 CVS 2783.

G. **“Parties”** mean and include the County, Austin, Hugh Chatham, Alliant, John Does, Jane Does, CAH 10, HMC and RCHA.

H. **“Payment Date”** means the date that is two (2) business days after the execution of this Agreement by the last party to deliver their signatures to the other party.

I. **“Personal Property Tax Payment”** shall have the same meaning as set forth in Section 6.

J. **“Qualifying Date”** shall mean seven (7) days after the earlier of (i) the expiration of any applicable statute of limitations, including but not limited to 11 U.S.C. §§ 108 and 546(a), that governs the avoidance and/or recovery of a transfer made by the Settling Parties pursuant or with respect to this Agreement, or (ii) the bankruptcy, liquidating, applicable estate or any successor thereof, and/or any duly authorized representative of the same, has waived any claims against the County that would allow any transfers made pursuant or with respect to this Agreement, including, but not limited to those claims pursuant to 11 U.S.C. §§ 544, 545, 547, 548, 549, 550, and 553, and such waiver has been approved by a non-appealable order of a Court of competent jurisdiction.

K. **“Reorganized Debtors”** means and includes CAH 10 and HMC.

L. **“Settlement Date”** is the date on which the last party to this Agreement executes the Agreement.

M. **“Settlement Payment”** shall have the same meaning as set forth in Section 4.

RECITALS

WHEREAS, on April 22, 2010, the County and CAH 10 entered into that certain Agreement to Purchase and Lease under which the County, among other things, sold certain assets of a North Carolina hospital to CAH 10 (the **“Purchase and Lease Agreement”**).

WHEREAS, also on May 1, 2010, the County and CAH 10 entered into that certain “Hospital Lease” pursuant to which, among other things, County leased the Hospital premises to CAH 10 (the **“Lease”**). The Lease was subsequently amended on January 1, 2012, April 1,

2013 and April 2, 2015 (the amendments, together with the Lease, shall be referred to as the “Lease”).

WHEREAS, on May 1, 2010, HMC, CAH 10’s parent company, executed that certain Guaranty pursuant to which, among other things, HMC guaranteed the Purchase and Lease Agreement.

WHEREAS, on October 10, 2011, each of the Reorganized Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Missouri (the “Bankruptcy Court”), Case Nos. 11-44747-11 and 11-44738-11 (collectively, the “Bankruptcy Case”).

WHEREAS, on April 23, 2012, the County filed proofs of claims in each of the Reorganized Debtors’ cases.

WHEREAS, on December 12, 2012, the Bankruptcy Court entered the Confirmation Order in the Bankruptcy Case approving the Reorganized Debtors’ Joint Plan of Reorganization (the “Joint Plan”) which, among other things, provided for a payment of the County’s proof of claim pursuant to the Class 1 Earnout Rights (as defined in the Joint Plan). The Joint Plan as confirmed by the Bankruptcy Court became effective on January 17, 2013 (the “Bankruptcy Effective Date”).

WHEREAS, from and after the Bankruptcy Effective Date, RCHA became the contract manager for the Reorganized Debtors, and among other things, managed the Hospital Property for the Reorganized Debtors.

WHEREAS, on May 22, 2015, the County obtained a Temporary Restraining Order (“TRO”) enjoining CAH 10 from closing the Hospital, by filing an action in Wake County Superior Court in the State of North Carolina, Case No. 15 CVS 006896, which case the Reorganized Debtors removed to the United States District Court for the Eastern District of North Carolina (the “Eastern District Court”), Case No. 5:15-CV-00229-BO, (the “EDNC Case”). The County asserted, among other claims, claims of breach of expressed and implied contract, unfair trade practice, tortious interference with a contract, and third-party beneficiary breach of contract in its Complaint and Amended Complaint. Among other things, the County further alleged that the Reorganized Debtors and RCHA negligently or intentionally failed to timely give the County notice of the closure of the Hospital Property.

WHEREAS, the CAH Parties denied liability in the EDNC Case and filed counter-claims asserting, among other things, tortious interference with contract and civil conspiracy.

WHEREAS, the County denied any liability to the CAH Parties on their counter-claims in the EDNC Case.

WHEREAS, on June 18, 2015, the Eastern District Court entered an order finding the CAH Parties, including RCHA, in civil contempt for violation of the TRO.

WHEREAS, on October 19, 2015, the Reorganized Debtors filed a Motion to Enforce the discharge injunction against the County (Doc. #52) in the Bankruptcy Case (the “Motion to

Enforce”), where the Reorganized Debtors alleged, among other things that the County was seeking to enforce claims discharged in the Bankruptcy Case. The County denied the allegations in the Motion to Enforce.

WHEREAS, on January 14, 2016, CAH 10 filed a public records request case against the County in the General Court of Justice, Superior Court Division, for Guilford County, North Carolina, Case No. 16-CVS-2783 (the “Public Records Case”). CAH 10 asserted claims individually against Austin and Lisa Hughes which have been dismissed. The County denied that CAH 10 was entitled to the relief request in the Public Records Case.

WHEREAS, on February 9, 2016, CAH 10 and RHCA filed a complaint against Hugh Chatham, Alliant, Austin, and John and Jane Does, in the United States District Court for the Middle District of North Carolina, Case No. 1:16-CV-00095-LCB-LPA, (the “MDNC Case”). CAH 10 and RCHA asserted, among other claims, claims of civil conspiracy, tortious interference with a contract, breach of duty to negotiate in good faith, fraudulent misrepresentation, fraudulent concealment, and unfair and deceptive trade practices. On February 10, 2016, CAH 10 and RCHA requested that the MDL Panel consolidate the EDNC and the MDNC cases. Hugh Chatham, Alliant and Austin have denied the allegations in the MDNC case.

WHEREAS, based upon negotiations between the County and the CAH Parties, the risks and costs involved in litigation, and the amount at issue and the CAH Parties’ representations, the Parties desire, without admitting liability on the part of any party, to settle and compromise the above-mentioned claims and/or all other actual or potential controversies or disputes, on terms mutually acceptable to each Party.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and material covenants contained herein, and other good and valuable consideration, the receipt, sufficiency, and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation of Definitions and Recitals. The forgoing definitions and recitals to this Agreement are incorporated herein by this reference and made a part of this Agreement.

2. Settled Issues. The County, Austin, Hugh Chatham, Alliant, and the CAH Parties hereby agree the following matters between the Parties hereto are hereby settled and resolved:

any and all matters of dispute, including any claims arising out of or related in any way to the Purchase and Lease Agreement, the Lease and its amendments, and any claims which were or could have been asserted at any point in the Litigation including, without limitation, the Motion to Enforce and TRO, hereinafter, the “Settled Issues.”

3. Establishment of CAH Parties’ Obligations. The CAH Parties agree that as of the Settlement Date they were unconditionally, jointly and severally obligated to the County in the amount of \$250,000 (the “Settlement Amount”) and that such amount arises from claims that are not otherwise subject to the discharge, discharge injunction, or similar bar to prosecution arising

out of the Bankruptcy Case including, without limitation, personal property taxes owed to the County not otherwise discharged in the Bankruptcy Case.

4. Settlement Payment. On or before the Payment Date, the CAH Parties shall pay the Settlement Amount to the County by electronic funds transfer or wire and in consideration for the releases provided by the County herein. The Settlement Payment and all other consideration received by the County in exchange for the releases provided herein have been considered by the County in such a manner as to be in compliance with NC Gen. Stat. § 105-380.

5. County's Proof of Claim and Class 1 Earnout Rights. The Reorganized Debtors agree that the County's Proof of Claim filed in the Bankruptcy Case and included in the Class 1 Earnout Rights remain payable as and when due under the Joint Plan in the Bankruptcy Case.

6. Personal Property Tax Payment. The Reorganized Debtors agree to pay all personal property taxes accrued after the Bankruptcy Effective Date of the Joint Plan due and payable to the Town of Yadkinville through the date the Hospital premises were turned over to the County in the amount of \$14,983.17 by the Payment Date. *See Exhibit A*, Two pages of Documentation from the Town of Yadkinville, which shows personal property taxes owed for 2014 and 2015 and is incorporated herein by reference.

7. Hospital Personal Property. On the Effective Date and in exchange for the releases granted by the County in Section 12 of this Agreement, the Reorganized Debtors, without warranty, shall be deemed to have relinquished all right, title, and interests they may have in the Hospital Property or any assets acquired by virtue of the Purchase and Lease Agreement and Article 5 of Chapter 131E to the County and shall execute such further documents as may be reasonably necessary to effectuate the conveyance of such interests in the Hospital Property as reasonably required by the County for compliance with NC Gen. Stat. § 105-366 as allowed by law.

8. Acknowledgment of Medicare Liability. CAH 10, as the holder of the Medicare/Medicaid provider number, hereby represents, warrants, and acknowledges that it is the party liable to the Centers for Medicare and Medicaid Services ("CMS") for any Medicare/Medicaid liabilities associated with Medicare Acute provider number: 34-1308, Medicare Swing bed provider number: 34-Z308, Medicaid Acute provider number: 3401308, Medicaid Swing bed provider number: 3451308; Yadkin Valley Community Physicians: Medicare Part B Provider Number: 2347946A, Yadkin Valley Community Physicians Medicaid Provider Number: 89012JY, Yadkin Valley Community Hospital Professional Staff Medicare Part B Provider Number: 2347946, and Yadkin Valley Community Hospital Professional Staff Medicaid Provider Number: 8907708. The CAH Parties represent and warrant that these are the only Medicare/Medicaid Provider numbers associated with CAH 10's past ownership and operation of the Hospital.

9. Release of the County Parties. Except as otherwise provided herein, on the Effective Date, each of the CAH Parties shall be deemed to have released the County, Austin, all John and Jane Does named in the MDNC Case and otherwise related to the named parties in that action, and each of their respective successors and assigns, affiliates, executors, predecessors, companies, managers (including, without limitation, past and present County Managers and

Boards of Commissioners), members, officers, directors, board members, partners, employees, representatives (including, without limitation, past and current County Commissioners), agents, and attorneys, in both of their individual and official capacities (collectively, the "County Related Parties") from any and all manner of actions, causes of action, suits, proceedings, debts, dues, judgments, damages, claims, property damages, expenses, liabilities, rights to payments, acts and/or omissions, demands, and all other claims of every kind, nature, and description, whatsoever, liquidated and unliquidated, fixed and/or contingent, matured and unmatured, priority or non-priority, disputed and/or undisputed, legal or equitable, secured and unsecured, accrued and unaccrued, known and unknown, choate and inchoate, whether based on statutory law, common law, federal law, state law, local law, or otherwise, that any of the CAH Parties has or may have against the County Related Parties accruing or arising from the beginning of time to the day of the Effective Date. This Release includes, without limitation, any claims the CAH Parties have or may hereafter have or claim to have against the County Related Parties and the Town of Yadkinville by reason of any matter, cause, thing, act or omission relating in any way to or arising out of the Litigation and the Settled Issues and other matters related thereto, save and except any breach by another party of one or more terms of this Agreement.

10. Release of Hugh Chatham. Except as otherwise provided herein, on the Effective Date, each of the CAH Parties shall be deemed to have released Hugh Chatham and each of its respective successors and assigns, affiliates, executors, predecessors, companies, insurers, managers, members, officers, directors, board members, partners, employees, representatives, agents, all John and Jane Does named in the MDNC Case and otherwise related to the named parties in that action, and attorneys, in both their individual and official capacities (collectively, the "Hugh Chatham Related Parties") from any and all manner of actions, causes of action, suits, proceedings, debts, dues, judgments, damages, claims, property damages, expenses, liabilities, rights to payments, acts and/or omissions, demands, and all other claims of every kind, nature, and description, whatsoever, liquidated and unliquidated, fixed and/or contingent, matured and unmatured, priority or non-priority, disputed and/or undisputed, legal or equitable, secured and unsecured, accrued and unaccrued, known and unknown, choate and inchoate, whether based on statutory law, common law, federal law, state law, local law, or otherwise, that any of the CAH Parties has or may have against the Hugh Chatham Related Parties accruing or arising from the beginning of time to the day of the Effective Date. This Release includes, without limitation, any claims the CAH Parties have or may hereafter have or claim to have against the Hugh Chatham Related Parties by reason of any matter, cause, thing, act or omission relating in any way to or arising out of the Litigation and the Settled Issues and other matters related thereto, save and except any breach by another party of one or more terms of this Agreement.

11. Release of Alliant. Except as otherwise provided herein, on the Effective Date, each of the CAH Parties shall be deemed to have released Alliant and each of its respective successors and assigns, affiliates, executors, predecessors, companies, insurers, managers, members, officers, directors, board members, partners, employees, representatives, agents, all John and Jane Does named in the MDNC Case and otherwise related to the named parties in that action, and attorneys, in both their individual and official capacities (collectively, the "Alliant Related Parties") from any and all manner of actions, causes of action, suits, proceedings, debts, dues, judgments, damages, claims, property damages, expenses, liabilities, rights to payments, acts and/or omissions, demands, and all other claims of every kind, nature, and description, whatsoever, liquidated and unliquidated, fixed and/or contingent, matured and unmatured,

priority or non-priority, disputed and/or undisputed, legal or equitable, secured and unsecured, accrued and unaccrued, known and unknown, choate and inchoate, whether based on statutory law, common law, federal law, state law, local law, or otherwise, that any of the CAH Parties has or may have against the Alliant Related Parties accruing or arising from the beginning of time to the day of the Effective Date. This Release includes, without limitation, any claims the CAH Parties have or may hereafter have or claim to have against the Alliant Related Parties by reason of any matter, cause, thing, act or omission relating in any way to or arising out of the Litigation and the Settled Issues and other matters related thereto, save and except any breach by another party of one or more terms of this Agreement.

12. Release of the CAH Parties. Except as otherwise provided in this Agreement, on the Effective Date, the County, Austin, Hugh Chatham, and Alliant shall be deemed to have released the CAH Parties and each of its respective successors and assigns, affiliates, executors, predecessors, companies, managers, members, officers, directors, board members, partners, employees, representatives, agents, and attorneys, in both their individual and official capacities (collectively, the "CAH Related Parties") from any and all manner of actions, causes of action, suits, proceedings, debts, dues, judgments, damages, claims, property damages, expenses, liabilities, rights to payments, acts and/or omissions, demands, and all other claims of every kind, nature, and description, whatsoever, liquidated and unliquidated, fixed and/or contingent, matured and unmatured, priority or non-priority, disputed and/or undisputed, legal or equitable, secured and unsecured, accrued and unaccrued, known and unknown, choate and inchoate, whether based on statutory law, common law, federal law, state law, local law, or otherwise, that the County has or may have against the Settling Parties accruing or arising from the beginning of time to the day of the Effective Date. This Release includes, without limitation, any claims the County, Austin, Hugh Chatham, and Alliant have or may hereafter have or claim to have against the CAH Related Parties by reason of any matter, cause, thing, act or omission relating in any way to or arising out of the Litigation and the Settled Issues and other matters related thereto, save and except any breach by another party of one or more terms of this Agreement.

EXCEPTION TO THE RELEASE OF THE CAH PARTIES: THE COUNTY'S PROOF OF CLAIM FILED IN THE BANKRUPTCY CASE AND INCLUDED IN THE CLASS 1 EARNOUT RIGHTS IS SPECIFICALLY EXCEPTED OUT OF ANY RELEASE PROVIDED HEREIN, AND REMAINS AN OBLIGATION OF THE REORGANIZED DEBTORS PAYABLE AS AND WHEN DUE UNDER THE CONFIRMED PLAN.

13. Dismissal of Litigation. Within seven (7) days after the Settlement Date, the non-Bankruptcy Case Litigation shall be dismissed with prejudice, the Motion to Enforce will be withdrawn with prejudice, and the Bankruptcy Case closed with each party to bear his or its own costs.

14. No Release for Breach of Settlement Agreement. Nothing herein shall release any party to this Agreement from any liability or obligation for any breach of the Agreement. Any releases contained in Section 12 of this Agreement shall become null and void upon one or more of the CAH Parties' breach of the Agreement, including, but not limited to failure to tender the Settlement Payment by the Payment Date and breach of any representations and warranties contained in Section 15 of this Agreement.

15. Representations and Warranties.

(a) Each of the Parties warrants that, before executing this Agreement, such Party fully understood this Agreement and executed and delivered this Agreement with full knowledge of its contents and meaning. The Parties further represent and warrant to each other that they have not sold, assigned, factored or otherwise transferred any interest in the claims being resolved by this Agreement and that they are the sole holder of the claims being resolved in this Agreement with the full authority to enter into this Agreement.

(b) The CAH Parties represent that they are currently not in an Insolvency Proceeding and no entity has threatened, initiated, and/or proceeded to place such parties in an involuntary Insolvency Proceeding. Provided however, at the time of the execution of this Agreement, the Reorganized Debtors are parties to the Bankruptcy Case, which is to be closed subsequent to the execution of this Agreement pursuant to Section 13 hereof.

16. Insolvency Matters. If any of the CAH Parties are placed in an Insolvency Proceeding, whether it is voluntary or involuntary, on or before the Effective Date, then the County's releases of such parties as contemplated in Section 12 of this Agreement shall not be effective until the Qualifying Date. The Parties further agree that if any of the CAH Parties are placed in an Insolvency Proceeding, whether it be voluntary or involuntary, and the County is obligated to pay any monies to any type of administrator, trustee, estate, or any successor entity, including any potential liquidating trust, or is not otherwise allowed to receive and retain the full amount of the consideration bargained for herein (either by reason of any court order, judgment, settlement of controversy, or by operation of law), then the Parties agree that (i) the releases granted by the County as contemplated in Section 12 of this Agreement shall be become null and void and (ii) the County shall have joint and several claim(s) in the bankrupt CAH Party's potential bankruptcy estate(s) and against any non-bankrupt CAH Party in the amount of the Settlement Amount, plus any amounts not otherwise released under this Agreement; provided, however, any monies received and retained by the County, less any applicable attorney fees and expenses in defending an avoidance/turnover action, shall be credited to the Settlement Amount.

17. No Admission of Liability. Nothing contained herein shall be construed as an admission of guilt, liability or responsibility on the part of the County Related Parties, the Hugh Chatham Related Parties, the Alliant Related Parties, and the CAH Related Parties in connection with the Settled Issues, and all such liability is expressly denied. Nothing referred to herein may be construed as, received as, used as or deemed to be a denial of the Parties' responsibilities and obligations under the terms of this Agreement in any proceeding to enforce this Agreement.

18. Notices. Any notice or other communications required to be given pursuant to this Agreement shall be in writing and shall be sent by (a) registered or certified U.S. Mail, return receipt requested, postage prepaid and (b) by overnight courier, by hand delivery or facsimile (if receipt is confirmed) to the parties listed on Schedule A.

19. Amendments; Modification; Waiver. The Agreement may not be modified, superseded, extended, terminated, or amended and no provision hereto may be waived except by a writing making specific reference hereto and signed by the Parties.

20. Binding Effect. The terms and acknowledgements set forth in the Agreement shall be binding upon the Parties and shall inure to the benefit of the Parties, and their respective successors, assigns, heirs, executors, administrators, and representatives.

21. Participation in Drafting. Each party has participated in, or contributed to, the drafting and preparation of the Agreement. In any construction of the Agreement, the provisions shall not be construed for, or against, any party, but shall be construed according to their plain meaning.

22. Governing Law; Waiver of Jury Trial; Jurisdiction; Venue. This Agreement and all rights and obligations of the Parties hereunder shall be governed by, and construed, interpreted and enforced, in accordance with the laws of the State of North Carolina applicable to agreements made and to be performed entirely within said state, including all matters of enforcement, validity and performance, but without reference to conflict of laws principles of said state. Each of the Parties knowingly, voluntarily, intentionally and irrevocably agree to submit to the personal jurisdiction and venue of the General Court of Justice, Superior Court Division, for Yadkin County, North Carolina, or the United States District Court for the Eastern District of North Carolina, for any and all actions or proceedings to enforce, or arising out of, the transactions contemplated by this Agreement. **EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY FOR ANY AND ALL ACTIONS OR PROCEEDINGS TO ENFORCE, OR ARISING OUT OF, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.**

23. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one agreement which is binding upon all the parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

24. Terms Reviewed and Understood. The signatories to this Agreement represent and warrant that they have reviewed this Agreement, have conferred with counsel, have received competent and independent legal advice of counsel about the meaning and legal effect of this Agreement, and about the advisability of making the agreements provided for herein and fully understand all of the terms, and acknowledge and represent that they enter into this Agreement of their own free will, and not from any representation, commitment, promise, pressure, or duress from any other party.

25. Cooperation. The Parties agree to cooperate fully with each other in the performance hereunder, and will execute such additional agreements, documents, or instruments, if any, as may reasonably be required to carry out the intent of the Agreement.

26. Non-Severability. Each provision of this Agreement shall be considered severable, and if for any reason any part, term or provision herein is determined invalid or contrary to existing law, such shall not impair the operation of, or affect the remaining parts, terms or provisions of this Agreement. If any provision of the Agreement is invalid or

unenforceable, a suitable and equitable provision shall be substituted in order to accomplish the intent and purpose of the invalid or unenforceable provision.

27. Authorization. The person who executed this Agreement by or on behalf of each respective party or individual, as applicable, represents and warrants that he/she has been duly authorized and empowered to execute and deliver this Agreement on behalf of such party, including, but not limited to, the delivery of the releases described herein and that all necessary corporate approvals have been obtained.

28. Signatures. The Agreement (and any amendments, modifications, or waivers in respect hereof) may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same document. Facsimile signatures or signatures emailed in portable document format (PDF) shall be acceptable and deemed binding on the Parties hereto as if they were originals.

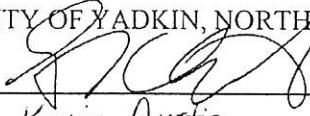
29. Entire Agreement. The Agreement constitutes the entire agreement between and among the Parties concerning the subject matter hereof, and there are no other understandings, representations, or agreements, oral or otherwise, concerning the Agreement, which shall remain in full force and effect.

30. Special Tax Provision Under NC Gen. Stat. § 105-380. For the avoidance of doubt, all personal property taxes owing by the Reorganized Debtor arising before the Bankruptcy Effective Date are addressed in the Joint Plan or are otherwise discharged as a function of Federal Bankruptcy Law. For personal property taxes arising after the Bankruptcy Effective Date, such taxes are either (a) being paid pursuant to Sections 3, 4, and 6, or (b) are being satisfied by the surrender of the personal property provide for in Section 7, the value of which Hospital Property is agreed to be equal to or in excess of any personal property taxes not satisfied by payment under Sections 3,4, and 6, and the Settlement Payment.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

COUNTY OF YADKIN, NORTH CAROLINA

By: 

Name: Kevin Austin

Title: Chairman Board of Commissioners

Date: 3-30-16

STATE OF North Carolina)

) SS.

COUNTY OF Yadkin)

Before me, the undersigned Notary Public, on this day personally appeared Kevin Austin, the manager of County of Yadkin, known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

In testimony whereof, I have hereunto signed my name and affixed my notarial seal this 30 day of March, 2016.

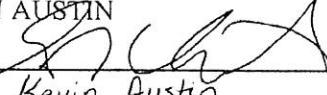

Wenona C. Thompson
NOTARY PUBLIC

My Commission Expires:

8-7-2018

Wenona C. Thompson
Notary Public
State of North Carolina
County of Yadkin

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

KEVIN AUSTIN
By: 
Name: Kevin Austin
Title: _____
Date: 3-30-16

STATE OF North Carolina)
COUNTY OF Yadkin) SS.

Before me, the undersigned Notary Public, on this day personally appeared Kevin Austin, known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

In testimony whereof, I have hereunto signed my name and affixed my notarial seal this 30 day of March, 2016.

Wenona C. Thompson
NOTARY PUBLIC

My Commission Expires: 8-7-2018

Wenona C. Thompson
Notary Public
State of North Carolina
County of Yadkin

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

HUGH CHATHAM MEMORIAL HOSPITAL, INC.

By: Donald E. Trippel

Name: Donald E. Trippel

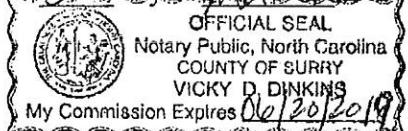
Title: CFO

Date: 3/31/16

STATE OF NC)
COUNTY OF Surry) SS.

Before me, the undersigned Notary Public, on this day personally appeared Donald E. Trippel (title) CFO with Hugh Chatham Memorial Hospital, Inc., known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

31st In testimony whereof, I have hereunto signed my name and affixed my notarial seal this day of March 2016.



My Commission Expires:

Vicki D. Dinkins
NOTARY PUBLIC

*Counterpart Signature Page
to Settlement Agreement*

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

BLUE MANAGEMENT SERVICES, LLC D/B/A
ALLIANT MANAGEMENT SERVICES

By: Timothy L. Jarm

Name: Timothy L. Jarm

Title: PRESIDENT/CEO

Date: MARCH 31, 2016

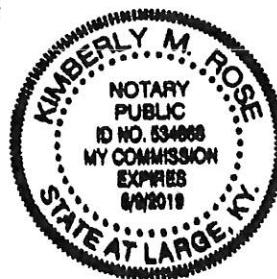
STATE OF Kentucky)
COUNTY OF Jefferson) SS.

Before me, the undersigned Notary Public, on this day personally appeared Timothy L. Jarm (title) President with Blue Management Services, LLC d/b/a Alliant Management Services, known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

3/31 In testimony whereof, I have hereunto signed my name and affixed my notarial seal this day of March, 2016.

Kimberly M. Rose
NOTARY PUBLIC

My Commission Expires: 6/9/2019



*Counterpart Signature Page
to Settlement Agreement*

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

CAH ACQUISITION COMPANY 10 LLC

By: James W. Shaffer
 Name: JAMES W. SHAFFER
 Title: President
 Date: 3/31/2016

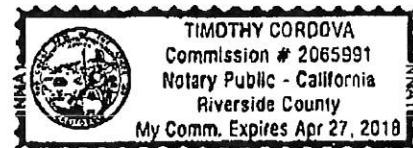
STATE OF California)
) SS.
 COUNTY OF Riverside)

Before me, the undersigned Notary Public, on this day personally appeared James W. Shaffer (title) Per with CAH Acquisition Company 10, LLC, known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

In testimony whereof, I have hereunto signed my name and affixed my notarial seal this 31 day of March, 2016.

Timothy C. Cordova
 NOTARY PUBLIC

My Commission Expires: 04/27/2018



*Counterpart Signature Page
 to Settlement Agreement*

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

HMC/CAH CONSOLIDATED, INC.

By: James W. Shaffer
 Name: JAMES W. SHAFFER
 Title: PRESIDENT
 Date: 3/31/2016

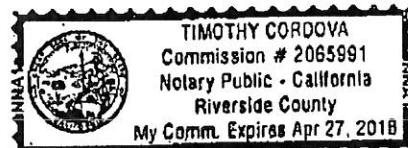
STATE OF California)
 COUNTY OF Riverside) SS.

Before me, the undersigned Notary Public, on this day personally appeared James W. Shaffer (title) Pres with HMC/CAH Consolidated, Inc., known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

In testimony whereof, I have hereunto signed my name and affixed my notarial seal this
31 day of March, 2016.

Timothy C.
 NOTARY PUBLIC

My Commission Expires: 04/27/2018



Counterpart Signature Page
 to Settlement Agreement

IN WITNESS WHEREOF, ad intending to be legally bound hereby, the Parties hereto have executed and delivered this Agreement on the date set forth below.

RURAL COMMUNITY HOSPITALS OF AMERICA LLC.

By: Dennis S. Davis
Name: Dennis Davis
Title: Chief Legal Officer
Date: 3-31-2016

STATE OF Missouri)
COUNTY OF Jackson) SS.

Dennis Davis (title CEO with Rural Community Hospitals of America LLC., known to me to be the person who executed the foregoing instrument, and he acknowledged to me that he executed the same on behalf thereof for the purposes therein expressed.

31 In testimony whereof, I have hereunto signed my name and affixed my notarial seal this day of March 2016.

Linda K. Way
NOTARY PUBLIC

My Commission Expires:
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Nov. 17, 2018
Commission #14444354

*Counterpart Signature Page
to Settlement Agreement*

SCHEDULE A
NOTICE PARTIES

To County:

County Manager
County of Yadkin
PO Box 220
Yadkinville, NC 27055

To CAH Parties:

If to HMC/CAH CONSOLIDATED, INC.
HMC/CAH Consolidated, Inc.
Attn: Jim Shaffer, President
1100 Main, Suite 2350
Kansas City, MO 64105
Fax: (816) 474-2203
jshaffer@hmccah.com

with a copy to

Dennis Davis, Chief Legal Officer
Rural Community Hospitals of America
1100 Main, Suite 2350
Kansas City, MO 64105
Fax: (816) 474-2203
ddavis@ruralcommunityhospitals.com

If to CAH ACQUISITION COMPANY 10 LLC

CAH ACQUISITION COMPANY 10 LLC
c/o HMC/CAH Consolidated, Inc., its sole
member
Attn.: Jim Shaffer, President
1100 Main, Suite 2350
Kansas City, MO 64105
Fax: (816) 474-2203
jshaffer@hmccah.com

with a copy to

Dennis Davis, Chief Legal Officer
Rural Community Hospitals of America
1100 Main, Suite 2350
Kansas City, MO 64105
Fax: (816) 474-2203
ddavis@ruralcommunityhospitals.com

**If to RURAL COMMUNITY HOSPITALS OF
AMERICA LLC**

Rural Community Hospitals of America
Attn: Dennis Davis, Chief Legal Officer
1100 Main, Suite 2350
Kansas City, MO 64105
Fax: (816) 474-2203
ddavis@ruralcommunityhospitals.com

EXHIBIT A
Page 1 of 2

May 28, 2015 DISCOVERY FOR CAH ACQUISITIONS -PERSONAL PROPERTY

YEAR	VALUE	TAX RATE	AMOUNT	LATE LISTING	TOTAL BILLED
2010	1,393,361	.41	\$5,712.78	.60% 3,427.67	\$ 9,140.45
2011	1,302,818	.41	\$5,341.55	.50% 2,670.78	\$ 8,012.33
2012	1,776,350	.41	\$7,283.04	40% 2,913.22	\$10,196.26
2013	1,648,039	.41	\$6,756.96	30% 2,027.09	\$ 8,784.05
<u>2014</u>	<u>1,553,121</u>	<u>.41</u>	<u>\$6,285.80</u>	<u>20% 1,257.16</u>	<u>\$ 7,542.96</u>
	7,653,689		\$31,380.13	\$12,295.92	\$43,676.05

EXHIBIT A

Page 2 of 2

TOWN OF YADKINVILLE

Report Date: 3/21/2016

Page: 1 of 1

**Customer
Transaction History**

Customer Transaction Type	Date	Tax Year	Amt Charged	Amt Paid	Total Owed	Posted to GL
CAH AQCQUISTIONS						
Personal Property Pin #: 1100760						
Bill #239	07/06/2015	2015	\$7,210.78	\$0.00		N
Interest	03/01/2016		\$49.16	\$0.00		N
Interest	02/01/2016		\$49.16	\$0.00		N
Interest	01/06/2016		\$131.11	\$0.00		N
Totals:			\$7,440.21	\$0.00	\$7,440.21	
CAH AQCQUISTIONS						
Personal Property Pin #: 1100760						
Bill #1696	05/28/2015	2014	\$43,676.05	\$0.00		Y
Interest	03/01/2016		\$235.35	\$0.00		N
Interest	02/01/2016		\$235.35	\$0.00		N
Interest	01/04/2016		\$235.35	\$0.00		N
Interest	12/01/2015		\$235.35	\$0.00		N
Interest	11/02/2015		\$235.35	\$0.00		N
Interest	10/01/2015		\$235.35	\$0.00		N
Interest	09/01/2015		\$235.35	\$0.00		N
Interest	08/03/2015		\$235.35	\$0.00		N
Interest	07/01/2015		\$235.35	\$0.00		N
Interest	06/01/2015		\$235.35	\$0.00		N
Totals:			\$46,029.55	\$0.00	\$46,029.55	
Grand Totals:			\$53,469.76	\$0.00	\$53,469.76	

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION
CIVIL ACTION NO. 5:15-CV-00229-BO

COUNTY OF YADKIN,

Plaintiff,

v.

CAH ACQUISITION COMPANY 10 LLC,
HMC/CAH CONSOLIDATED, INC.; and
RURAL COMMUNITY HOSPITALS OF
AMERICA, LLC

Defendants.

**JOINT NOTICE OF DISMISSALS
OF ALL CLAIMS
AND COUNTERCLAIMS
WITH PREJUDICE**

All Parties, through their undersigned counsel, give notice that all matters and controversies between the Parties have been finally settled. Accordingly, pursuant to Rules 41(a)(1)(A)(ii) and 41(c), each Party stipulates that all claims and counterclaims are DISMISSED WITH PREJUDICE. Each Party shall bear its own costs and attorney fees.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Respectfully submitted, this the 1st day of April, 2016.

/s/ Stephen W. Petersen
Stephen W. Petersen
N.C. State Bar. No. 23462
steve.petersen@smithmoorelaw.com
Jeffrey R. Whitley
N.C. State Bar No. 46497
jeff.whitley@smithmoorelaw.com

SMITH MOORE LEATHERWOOD LLP
434 Fayetteville Street, Suite 2800 (27601)
Post Office Box 27525
Raleigh, North Carolina 27611
Telephone: (919) 755-8700
Facsimile: (919) 755-8800

Attorneys for Plaintiff County of Yadkin

/s/ J. Alexander S. Barrett
J. Alexander S. Barrett
N.C. State Bar No. 12859
abarrett@hagenbarrett.com

HAGAN BARRETT & LANGLEY PLLC
300 N. Greene Street, Suite 200
Greensboro, NC 27401
Telephone: (336) 232-0650
Facsimile: (336) 232-0651

Attorneys for all Defendants

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a copy of the foregoing **JOINT NOTICE OF DISMISSALS WITH PREJUDICE** was filed with the clerk using the CM/ECF system which will send notice to all parties of record and serve by electronic means upon the following:

J. Alexander S Barrett
Starling B. Underwood, III
Hagan Barrett & Langley PLLC

abarrett@hagandavis.com
sunderwood@hagandavis.com

Russell J. Shankland
Shook, Hardy & Bacon, LLP

rshankland@shb.com

This the 1st day of April, 2016.

/s/ Stephen W. Petersen
Jeffrey R. Whitley
N.C. State Bar No. 46497
jeff.whitley@smithmoorelaw.com
Stephen W. Petersen
N.C. State. Bar. No. 23462
steve.petersen@smithmoorelaw.com

SMITH MOORE LEATHERWOOD LLP
434 Fayetteville Street, Suite 2800 (27601)
Post Office Box 27525
Raleigh, North Carolina 27611
Telephone: (919) 755-8700
Facsimile: (919) 755-8800

Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION
Civil Action No. 1:16-CV-00095

CAH ACQUISITION COMPANY 10 LLC)	
and RURAL COMMUNITY HOSPITALS)	
OF AMERICA LLC,)	
)	
Plaintiffs,)	
)	
v.)	
)	VOLUNTARY DISMISSAL
HUGH CHATHAM MEMORIAL)	WITH PREJUDICE
HOSPITAL, INC., BLUE)	
MANAGEMENT SERVICES, LLC d/b/a)	
ALLIANT MANAGEMENT SERVICES;)	
KEVIN AUSTIN; JOHN DOES and JANE)	
DOES,)	
)	
Defendants.)	

Plaintiffs, through counsel, hereby give notice that all matters and controversies between the parties have been finally settled. Accordingly, and pursuant to Rule 41(a)(1)(A)(i), this action is hereby DISMISSED WITH PREJUDICE. Each party shall bear its own costs and attorney fees.

Respectfully submitted this the 1st day of April, 2016.

/s/ J. Alexander S. Barrett
J. Alexander S. Barrett
N.C. State Bar No. 12859
abarrett@haganbarrett.com
Attorney for Plaintiffs

OF COUNSEL:

HAGAN BARRETT & LANGLEY, PLLC
300 N. Greene Street, Suite 200
Greensboro, NC 27401
Telephone: (336) 232-0650
Facsimile: (336) 232-0651

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a copy of the foregoing **VOLUNTARY DISMISSAL WITH PREJUDICE** was filed with the Court using the CM/ECF system which will send notice to all parties of record and serve by electronic means upon the following:

M. Robin Davis, Esq.
robin.davis@jacksonlewis.com
Jason V. Federmack, Esq.
Jason.federmack@jacksonlewis.com
Jackson Lewis
3737 Glenwood Avenue, Suite 450
Raleigh, NC 27612
Counsel for Defendant Hugh Chatham Memorial Hospital, Inc.

Steven B. Epstein, Esq.
sepstein@poynerspruill.com
Poyner Spruill, LLP
301 Fayetteville Street, Suite 1900
Raleigh, NC 27601
Counsel for Defendant Blue Management Services, LLC d/b/a Alliant Management Services

Stephen W. Petersen, Esq.
steve.petersen@smithmoorelaw.com
Smith Moore Leatherwood, LLP
P.O. Box 27525
Raleigh, NC 27611
Counsel for Defendant Kevin Austin

This the 1st day of April, 2016.

/s/ J. Alexander S. Barrett
J. Alexander S. Barrett

FILED

NORTH CAROLINA

GUILFORD COUNTY

CAH ACQUISITION COMPANY 10,
LLC,

2016 APR - 1 P 2:48

GUILFORD CO., C.S.C.

Plaintiff,

v.

COUNTY OF YADKIN

Defendant.

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
16 CVS 2783

**VOLUNTARY OF DISMISSAL
WITH PREJUDICE**

(VD)

COMES NOW Plaintiff CAH Acquisition Company 10, LLC, by and through its undersigned counsel and pursuant to Rule 41(a) of the North Carolina Rules of Civil Procedure, and hereby voluntarily dismisses this action with prejudice. Each party shall bear its own costs and fees.

This the 1st day of April, 2016.



J. Alexander S. Barrett
N.C. State Bar No. 28454
abarrett@haganbarrett.com
Attorney for Plaintiff

OF COUNSEL:

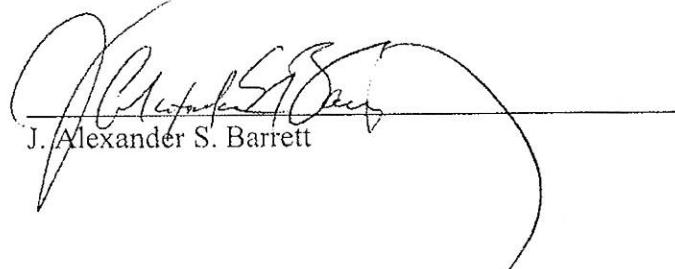
HAGAN BARRETT & LANGLEY PLLC
300 North Greene Street, Suite 200
Greensboro, North Carolina 27401
Telephone: (336) 232-0650
Facsimile: (336) 232-0651

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **VOLUNTARY DISMISSAL WITH PREJUDICE** was duly served on counsel for Defendant in accordance with the provisions of Rule 5 of the North Carolina Rules of Civil Procedure via First Class U.S. Mail, and electronic mail, addressed as follows:

Stephen W. Petersen, Esq.
steve.petersen@smithmoorelaw.com
Elizabeth Sims Hedrick, Esq.
elizabeth.hedrick@smithmoorelaw.com
Smith Moore Leatherwood LLP
P.O. Box 27525
Raleigh, NC 27611

This the 1st day of April, 2016.



J. Alexander S. Barrett

Capital Inventory 2016

DESCRIPTION

	Patient Monitor	PURCHASE	
		QTY	VALUE
1	Dinamap Monitors	5	\$ 61,926.00
2	Fetal /Corometeric 170	1	\$ 3,674.00
3	Infant Monitor Corometric 556	1	\$ 1,500.00
4	EKG Machine Mac 5000	3	\$ 16,710.00
5	Defibrillator	6	\$ 49,847.00
6	Monitor Bedside	4	\$ 12,000.00
7	MONITORS/BLOODPRESSURE	8	\$ 40,500.00
8	EKG Machines	2	\$ 12,000.00
9	GE Monitor 5000	1	\$ 14,999.00
10	Thermometers	6	\$ 2,600.00
11	Pulse ox	6	\$ 8,304.00
12	Fetal Doppler	1	\$ 595.00
13	Lifeloc Prof. Breath Alcohol Tester	1	\$ 3,500.00
14	Hearing booth	1	\$ 3,000.00
15	Sequel Controller	2	\$ 3,300.00
16	IV Pumps Signa Spectrum	5	\$ 50,000.00

General Patient Room/Clinic

1	Ophthalmoscope	17	\$ 11,148.00
2	Beds Patient Stryker and Centry	20	\$ 101,644.00
3	IV Stands	19	\$ 2,850.00
4	Stools Doctor	19	\$ 2,266.00
5	Stretchers	12	\$ 37,801.00
6	LIFT PATIENT SUPPORT	2	\$ 5,842.00
7	Gomoc Suction	1	\$ 554.00
8	WHEELCHAIR	11	\$ 2,794.00
9	CHAIR ARM VNL Patient/side chair	120	\$ 27,000.00
10	Infant Warmer	1	\$ 1,639.00
11	Bassinet infant	1	\$ 1,350.00
12	Mayo Stands	6	\$ 1,320.00
13	SINGLE WARDROBE	14	\$ 6,370.00
14	DOUBLE WARDROBE	2	\$ 1,546.00
15	OVER BED TABLES	28	\$ 7,448.00
16	BEDSIDE CABINETS	27	\$ 11,475.00
17	MATTRESSES CENTURY BEDS	20	\$ 4,600.00
18	Exam tables	14	\$ 11,900.00
19	Scales patient	4	\$ 1,100.00
20	Crash Carts	3	\$ 2,700.00
21	Hippa Air Purification Unit	1	STATE
22	Blanket Warmers	2	\$ 6,208.00
23	Bair Huggers	2	\$ 3,200.00
24	Hyfrecator	1	\$ 800.00
25	STAINLESS STEEL MIRRORS	24	\$ 1,326.00

26	Infant Immobilizer	1	\$	2,600.00
27	Patient Med carts	3	\$	5,211.00
28	Exam. /procedure Table power	2	\$	19,800.00
29	Lobby Furniture(all areas)		\$	15,000.00
30	Goose neck lamps	15	\$	1,950.00

OR Suite

1	ELECTROSURGERY UNIT(1)	1	\$	5,959.00
2	Ureteral Scope	1	\$	6,191.00
3	OR Table	1	\$	21,000.00
4	Neptune Pumps	2	\$	1,000.00
5	Surgical lights OR	3	\$	17,914.00
6	CRYO UNIT OB-GYN	1	\$	1,652.00
7	Auto Claves (sterilizers)	2	\$	45,000.00
8	Various Instruments			
9	Instrument washer	1	\$	5,500.00
10	LAPROSCOPE (ORTHOPEDIC)	1	\$	5,305.00
11	ORTHOPEDIC OR TABLE	1	\$	9,250.00
12	Daxtex Anest. Machine	1	\$	49,006.00
13	Gas Analyzer Monitor	1	\$	7,900.00
14	ANESTHESIA /OR CRASH CART	2	\$	1,800.00
15	BLOOD WARMER	1	\$	1,500.00
16	Surgical towers	2	\$	54,794.00

Long Term Care

1	PATIENT SHOWER ARJO	1	\$	6,980.00
2	PATIENT TUB SONATA	1	\$	7,868.00
3	PATIENT LIFT ARJO	1	\$	6,760.00
4	Sink Head washer	1	\$	300.00
5	BARBER CHAIR	1	\$	695.00
6	HAIR DRYER	1	\$	298.00
7	WASHER	1	\$	295.00
8	DRYER	1	\$	295.00

HKP

1	FLOOR SCRUBBER / 24B ADVNCE(1	1	\$	1,900.00
2	BATTERY CHARGER / ADVANCE(1)	1	\$	100.00
3	WHIRLWIND UPRIGHT VACUUM	3	\$	1,584.00
4	WIDE VACCUM CLEANER	1	\$	1,687.00
5	HIGH SPEED FLOOR BUFFER	1	\$	1,775.00

LAB

1	CENTRIFUGE	4	\$	10,046.20
2	Microscope Lab	3	\$	10,713.00
3	blood bank Refrigerator	1	\$	3,347.00
4	Lab Freezer	1	\$	4,762.00
5	Doubledoar Lab Refrigerator	1	\$	10,000.00

6	Singler door lab Refridgerator	1	\$	3,200.00
7	Chem-Hood	1	\$	2,600.00
8	Blood drawing station	1	\$	850.00
9	Stat Counter	1		
10	ACT coulter	1		
11	Triage meter	1	\$	3,299.00
12	DCA Analyzer	1	\$	3,745.00
13	LAB INFOR. Soft ware upgrade 2003	1	\$	14,815.00
14	TEMP CONTROL FOR BLOOD BANK	1	\$	580.00
15	COMPUTER (FLETCHER FLORA)	1	\$	680.00
16	Incubator & Embedding Oven	1	\$	1,525.00

X-Ray

1	MAMOGRAPHY UNIT 2001	1	\$	69,606.00
2	REFURBISHED PORTABLE X-RAY	1	\$	13,000.00
3	SIDE CHAIRS (11)	11	\$	1,100.00
4	RADIOGRAPHIC & FLUOROSCOPIC R	1	\$	94,370.00
5	TOSHIBA ULTRASOUND MACHINE	1	\$	100,000.00
6	X-RITE SENSITOMETER	1	\$	795.00
7	PROCESSOR M6CW	1	\$	13,500.00
8	Mamo View box	2	\$	924.00
9	DENSITOMETER	1	\$	814.00
10	R & F ROOM 2008	1	\$	56,992.00
11	Telerad Scanstation	1	\$	48,526.00
12	Med Rad Injector	1	\$	16,000.00
13	Ultrasound table	1	\$	1,200.00

Rehab

1	Weights all sizes		\$	1,200.00
2	BACK MACHINE	1	\$	1,784.00
3	ULTRASOUND MACHINE Out Put	2	\$	6,305.00
4	TRACTION TABLE electric	1	\$	3,692.00
5	HYDROCOLLATOR (hot packs)	2	\$	1,902.00
6	Ultrasound Jell warmer	1	\$	175.00
7	Tec cold pack Holder	1	\$	941.00
8	Bi-pap Vision (respertory)	2	\$	3,600.00
9	uni-vent venilator	1	\$	3,200.00
10	C-PAT UNIT RESPIRATORY	1	\$	660.00
11	Therapy Tables	5	\$	2,500.00
12	Back-Tee 2000	1	\$	2,255.00
13	Nu-step Bikes	2	\$	1,850.00
14	Treadmill	1	\$	2,800.00
15	Air-Dyne Bikes	2	\$	1,200.00
16	Whirl pool	1	\$	2,262.00

Office

1	File Ltr 4 drw	20	\$	2,240.00
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2	MEDICAL RECORD FILES	1	\$	945.00
3	MOVEABLE FILE CABINET	1	\$	450.00
4	MEDICAL RECORD SHELVES	1	\$	14,847.00
5	MICROFILM UNIT	1	\$	2,795.00
6	PANEL SYSTEM-PATIENT ACCOUNTS	1	\$	8,687.00
7	PROJECTOR (EPSON)	1	\$	1,829.00
8	Exec. Conference Table	1	\$	1,200.00
9	Conference Room Chair High Back	10	\$	3,200.00
10	Couch	1	\$	1,200.00
11	Confer. Room side chair	5	\$	2,250.00
12	CREDENZA	4	\$	1,200.00
13	SECRETARIAL CHAIRS	27	\$	6,075.00
14	EXECUTIVE CHAIRS	16	\$	6,160.00
15	Desk	27	\$	9,450.00
16	Side Chair office	20	\$	2,200.00
17	SAFETY STORAGE CABINET	1	\$	587.00
18	SHELF MTL WIRE	10	\$	2,200.00

Dietary

1	Food Transporter TMP/Dinex/SS/ Double door w/ Wheels /Holds 24 patient trays (1 stored in Hut) 32 ¾ D x 49 in H x 50 ½ L	2 ea	\$	3,140.00
2	Cabinet Dish Storage /SS/ 2 doors 24 D x 67 H x 72 L	1 ea	\$	3,200.00
3	Table work /SS/ with drawer and storage rack 84 in L x 29 D x 35 H	1 ea	\$	3,200.00
4	Shelving Over Counter /SS/ 3-section unit w/sliding Doors / 113 L x 15 D x 32 H	1 ea	\$	3,200.00
5	Table work counter/SS/ Under counter storage 2 drawers/ 113 L x 30 D x 34 H	1 ea	\$	3,400.00
6	Table (short) SS/ 29 D x 47 L x 23 H	1 ea	\$	800.00
7	Dish washer Champion	1 ea	Free	
8	Shelving Wall mounted /SS/ 60 L x 12 D x 7 ½ H	1 ea	\$	81.00
9	Shelving Wall mounted /SS/ 60 L x 12 D x 7 ½ H	1 ea	\$	81.00
10	Counter Dish top/SS/ Right side w/3" lip L shape w/SS	1 ea	\$	3,200.00
11	Back 99 L x 30 W x 28 ½ H			
12	L shape 28 L x 22 W x 18 ½ L			
13	Counter Dish Top /SS/ Left Side C-shape w/3 in lips/			
14	Back w/sink 6" lip plus Garbage disp. area			
15	43 L x 30 W x 37 H / 79 L x 36 W x 37 H			
16	Sink 10 d x 21 w x 21 L			
17	Disposer	1 ea	\$	1,420.00
18	Pre Rinse Sprayer/Deck Mount unit 34 in	1 ea	\$	675.00
19	Pre Rinse low Flow Blue Jet Spray 48 in	1 ea	\$	675.00
20	Shelving Over storage/SS/ 3 shelves/2 section/ sliding Doors (2)	1 ea	\$	1,200.00

21	Counter work /6" back splash w/ beveled edging w/ Sink (20 x 20 x 8) 4 drawer & under counter storage 137 L x 28 D x 34 H	1 ea	\$	2,800.00
22	Chopper w /all attachments (HP ½)	1 ea	\$	580.00
23	Counter Top L-shape w/ 6in back slash & beveled Edging Sink (20 x 20 x 8) 4 drawer w/ under counter storage /35 H x 30 D x 48 L	1 ea	\$	2,500.00
24	Caffivate coffee maker (we did not Purchase)	1 ea		
25	Tea maker Bunn (we did not purchase)	1 ea		
26	Airport (coffee urn)	1 ea	\$	25.00
27	Mixer (all parts) (HP ¼)	1 ea	\$	800.00
28	Refer. 2 door/SS/(HP 1/3)	1 ea	\$	6,200.00
29	Walk-in Cooler	1 ea	\$	12,000.00
30	Shelving 4 section/slotted 50 L x 18 D X 70 H	4 set	\$	1,100.00
31	Meat slicer /SS/	1 ea	\$	656.00
32	Pro Tex II Fire suppression system	1 sys	\$	3,800.00
33	Cart /6-shelves on wheels /SS/ 35 ½ L x 21 W x 50 1/2H	1 ea	\$	650.00
34	Table prep w/drawer and shelf/SS/72 L x 30 W x 35 H	1 ea	\$	297.00
35	Cabinet Stor. /SS/ w/2 sliding drs 30 W x 48 L x 34H	1 ea	\$	563.00
36	Toaster 4 slice	1 ea	\$	30.00
37	Toaster Conveyor	1 ea	\$	675.00
38	Drink Machine (blender) Vita-Mix w/ each 48 oz Container w/ 2 lids	1 ea	\$	950.00
39	Plate Warmer (Dinex)	1 ea	\$	1,425.00
40	Hood with filters and lights 48 w x 173 L	1 ea	\$	25,000.00
41	Warmer table 4 section w/ glass front / bottom storage 62 ½ L x 39 D x 48 H	1 ea	\$	11,000.00
42	Convection Double oven Gas (Southbend) 30Dx38Wx48H	1 ea	\$	5,719.00
43	Restaurant Range Gas / 6 open burners w/ griddle w/2 ovens and 4 glide oven racks	1 ea	\$	2,692.00
44	Gas Fryer w/ 2 basket and cover	1 ea	\$	1,895.00
45	Butcher Block Prep table w/SS above rack (5 bins) SS bottom w/ 3 drawers	1 ea	\$	656.00
46	Flour Bin SS/ w/ lid on wheels	1 ea	\$	150.00
47	Flour Bin SS/ w/ lid on wheels	1 ea	\$	150.00
48	Cooler/glass door with 4 shelves	1 ea	\$	1,852.00
49	Enclosed Cabinet /SS/w 8 pans 21 W x 27 D x 70 H On wheels	1 ea	\$	800.00
50	UV light (bugs)	1 ea	\$	125.00
51	Cart w/ 4 wire shelving 24 w x 48 L x 70 H/ wheels	1 ea	\$	200.00
52	Cart w/ 4 wire shelving 24 w x 48 L x 70 H/wheels	1 ea	\$	200.00
53	Ice cream freezer/ glass top sliding doors	1 ea		
54	Hand mixer w/all attachments w/ caring case	1 ea	\$	20.00
55	Micro wave white	1 ea	\$	125.00
56	Table prep SS w/ 4 in back splash w/ lower storage	1 ea	\$	650.00
57	Shelving unit w/ 5 shelves /wheels 48 L x 18 D x 60H	1 ea	\$	200.00
58	Cart 3 shelves /wheels/SS/ 16x27x31	3ea	\$	600.00
59	Cart 3 shelves w/wheels Plastic 32x17x35	1 ea	\$	300.00

60	Cart 3 shelves w/wheels 41 x 21 x37	1 ea	\$	300.00
61	Pot Rack 55 L x 24 d x 24 H	1 ea	\$	500.00
62	Cash Register	1 ea	\$	250.00
63	Power washer 1750 psi	1 ea	\$	325.00
64	Table prep w/sink /6 in back splash beveled edge 1 drawer/storage on bottom /sink(22 x 16 x 10)	1 ea	\$	1,100.00
65	Desk MTL 18x32	1 ea	\$	150.00
66	Cart w/1 in lip 3 -sides/6 shelves w/wheels 35 ½ L x 21 D x 60 ½ H	2ea	\$	900.00
67	Black metro Shelve wire 60 H x 12 D x 48 L	1 ea	\$	150.00
68	Ice Machine Scotsman Drink Cooler (Pepsi)	3 ea	\$	4,794.00
69	Water /Ice Dispenser	1 ea	\$	850.00
70	Serving Line/SS w/rails /4 warmers and food Displays Volts 208 / 204 L x 50 w x 34 H(counter only) 72 in high including display and sneeze protectors	1 ea	\$	11,000.00
71	Table Prep/SS/ 2 drawers/ under counter storage w/ 4 sliding doors and sink / 6in back splash 3 side and Beveled front edge (sink 20 x 20 x 10) (counter 144 L x 28 D x 34 H)	1 ea	\$	4,000.00
72	Tables Lite Oak 35 ½ x 35 ½ black metal base	12 ea	\$	2,854.68
73	Tables Lite Oak 23 ½ x 23 ½ black metal base	4 ea	\$	948.00
74	Chairs lite Oak /curved back	42 ea	\$	3,780.00
75	Microwave Black	1 ea	\$	125.00
76	Table Microwave w/ lock door and condiment holder 25 L x15 W x 32 ½ L	1 ea	\$	325.00
77	Walk in Freezer with metro shelving units	1 ea	\$	8,948.00
78	Cabinet Green /5 shelves 2 door	1 ea	\$	200.00
79	Step leader with 2 steps and handle bar	1 ea	\$	20.00
80	Gray trash can on wheels with lid	1 ea	\$	86.00
81	Shelving units gray (bar attached to wall) 35 ½ L x 17 ¾ D x ½ thick	55	\$	2,500.00

GRAND TOTAL \$ 1,594,797.88